

REDACTED BY ORDER OF THE COURT

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION

OPTIS WIRELESS TECHNOLOGY,) (CIVIL ACTION NO.
LLC, OPTIS CELLULAR) (2:19-CV-66-JRG
TECHNOLOGY, LLC, PANOPTIS) (
PATENT MANAGEMENT, LLC,) (
UNWIRED PLANET, LLC, UNWIRED) (
PLANET INTERNATIONAL LIMITED,) (
PLAINTIFFS,) (
VS.) (
MARSHALL, TEXAS
AUGUST 10, 2020
9:52 A.M.
APPLE INC.,) (
DEFENDANTS.) (
DEFENDANTS.

TRANSCRIPT OF JURY TRIAL

ALL DAY

BEFORE THE HONORABLE JUDGE RODNEY GILSTRAP

UNITED STATES CHIEF DISTRICT JUDGE

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13 (Proceedings recorded by mechanical stenography, transcript
14 produced on a CAT system.)
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P R O C E E D I N G S

(Jury out.)

COURT SECURITY OFFICER: All rise.

THE COURT: Be seated, please.

All right. Counsel, before we proceed any further, I'll ask if the parties are prepared to read into the record those items from the list of pre-admitted exhibits presented and published as a part of the trial on the preceding Friday in this case, which would have been, I believe, the 7th of August.

MS. SCHUETZ: Yes, Your Honor. Plaintiffs are prepared.

THE COURT: Let me hear from you at this time, please.

MS. SCHUETZ: Plaintiffs admitted the following list of exhibits: PX-1716, PX-1720, 1756, 1757, 1758, 1759, 1768, 1769, and PX-1883.

THE COURT: Is there an objection from the Defendants?

MR. SELWYN: No, Your Honor, we have some additional ones on behalf of Apple.

THE COURT: Let me hear the additional ones on behalf of the Defendant, please.

MR. SELWYN: I apologize in advance if I repeat some of the same based upon the way my list is ordered, and

09:57:05 1 it's -- it's a lengthy list. So I apologize for the time

09:57:07 2 it will require --

09:57:07 3 THE COURT: Better to list them twice than to

09:57:12 4 leave them out.

09:57:13 5 MR. SELWYN: Exactly, Your Honor.

09:57:14 6 PX-1756, PX-1757, PX-1758, PX-1759, PX-1883,

09:57:24 7 PX-2308, PX-1716, PX-1720, PX-1768, PX-1769, DTX-0319,

09:57:41 8 DTX-0340, DTX-1724, DTX-1746, PX-0120, PX-005, PX-0009,

09:57:57 9 PX-2822, DTX-0012, DTX-0024, DTX-0027, DTX-0071, DTX-0160,

09:58:13 10 DTX-0167, DTX-0191, DTX-0192, DTX-0194, DTX-0213, DTX-0256,

09:58:31 11 DTX-0296, DTX-0297, DTX-0403, DTX-0404, DTX-0416, DTX-0419,

09:58:48 12 DTX-0423, DTX-431, DTX-0432, DTX-0457, DTX-458, DTX-00 --

09:59:05 13 pardon me, DTX-0520, DTX-0521, DTX-0522, DTX-0523,

09:59:16 14 DTX-0593, DTX-0663, DTX-0671 --

09:59:20 15 THE COURT: Could you slow down a little bit,

09:59:22 16 Mr. Selwyn?

09:59:22 17 MR. SELWYN: Yes, sir.

09:59:24 18 DTX-0672, DTX-0782, DTX-0852, DTX-0853, DTX-0855,

09:59:36 19 DTX-0858, DTX-0859, DTX-0887, DTX-0898, DTX-0901, DTX-0917,

09:59:55 20 DTX-0918, DTX-0926, DTX-1063, DTX-1064, DTX-1066, DTX-1069,

10:00:11 21 DTX-1071, DTX-1072, DTX-1074, DTX-1075, DTX-1076, DTX-1077,

10:00:26 22 DTX-1078, DTX-1080, DTX-1082, DTX-1083, DTX-1898, DTX-1901,

10:00:42 23 DTX-1902, DTX -- pardon me, DTX-2018, DTX-2077, DTX-2083,

10:00:58 24 DTX-2106, DTX-2116, DTX-2120, DTX-2121, and last PX-0008.

10:01:09 25 THE COURT: Any objection to that rendition?

10:01:16 1 MS. SCHUETZ: No objection, Your Honor.

10:01:17 2 THE COURT: All right. Thank you, counsel.

10:01:19 3 Next we will proceed to take up -- the Court will
10:01:21 4 proceed to take up motions by both parties or all parties
10:01:24 5 regarding matters raised under Federal Rule of Civil
10:01:29 6 Procedure 50(a).

10:01:30 7 As counsel will recall, last Friday, the Court
10:01:34 8 instructed the parties to reduce their positions under
10:01:41 9 Rule 50(a) to written motions to be filed not later than
10:01:46 10 noon on Sunday. Those were filed. The Court's reviewed
10:01:49 11 them, considered them, and, consequently, I'm prepared to
10:01:53 12 take up the various competing motions under 50(a) between
10:01:57 13 the parties at issue here at this time. Many of these are
10:02:02 14 direct opposites of each other, which is typical.

10:02:07 15 The purpose of the Court ordering you to reduce
10:02:10 16 your positions to writing so that I could review them in
10:02:13 17 advance was to streamline the process this morning.

10:02:18 18 Based on what we discussed in chambers before the
10:02:21 19 Court came on the bench this morning, I believe it's my
10:02:25 20 understanding that both sides are agreed to submit their
10:02:30 21 positions under Rule 50(a) on the papers that have been
10:02:33 22 filed with perhaps one or two slight variations on that.

10:02:37 23 What is -- what is Plaintiffs' position with
10:02:40 24 regard to how we should go forward on these matters raised
10:02:43 25 under Rule 50(a) and briefed over the weekend?

10:02:46 1 MR. WELLS: Your Honor, Crawford Maclain Wells for
10:02:50 2 Plaintiffs.

10:02:50 3 Plaintiffs, as detailed in their papers on their
10:02:53 4 motions for judgment as a matter of law, and that's
10:02:57 5 Docket No. 478 and 480, rest on those papers but would like
10:03:02 6 brief argument on obviousness with regard to the '833, '774
10:03:09 7 and '284 patents.

10:03:10 8 THE COURT: All right. What's Defendant's
10:03:12 9 position on these matters?

10:03:16 10 MR. SELWYN: Your Honor, Apple is also prepared to
10:03:19 11 rest on its written submissions, although we'd like to
10:03:24 12 argue very briefly a point on Doctrine of Equivalents and
10:03:25 13 contributory infringement.

10:03:27 14 THE COURT: All right. And let me ask this of
10:03:31 15 both of you: Over the weekend, there were various
10:03:36 16 communications exchanged by email, and some of those were
10:03:42 17 forwarded to the Court.

10:03:43 18 My understanding, based on what I've seen over the
10:03:48 19 weekend, is that both sides now take the position that
10:03:51 20 anticipate -- anticipation is not in the case, should not
10:03:54 21 be charged to the jury, and I assume both sides are in
10:03:58 22 agreement that the Court should grant Plaintiffs' motion to
10:04:03 23 strike or delete anticipation as a defense of the Defendant
10:04:09 24 under Rule 50(a); is that correct?

10:04:11 25 MR. WELLS: Yes, Your Honor.

10:04:14 1 THE COURT: How about from Apple, Mr. Selwyn?

10:04:17 2 MR. SELWYN: It is correct, Your Honor.

10:04:18 3 THE COURT: All right. Then based on that and
10:04:20 4 without objection, the Court will grant judgment as a
10:04:24 5 matter of law that the defense of anticipation under
10:04:27 6 Section 102 is not an operative part of this case and will
10:04:32 7 not be submitted to the jury.

10:04:33 8 All right. Let me -- in light of what you've told
10:04:40 9 me, let me hear argument from Plaintiff first on the
10:04:44 10 obviousness issue that they care to hear -- or they care to
10:04:49 11 raise argument on. I'll hear a response from Apple, and
10:04:52 12 then I'll take up Apple's argument, as they've requested,
10:04:56 13 on contributory infringement and Doctrine of Equivalents.
10:04:59 14 Let me hear from Plaintiff first.

10:05:01 15 MR. WELLS: Thank you, Your Honor.

10:05:02 16 With regard to the '833 patent, the '284 patent,
10:05:05 17 and the '774 patent, this is not an issue where there is
10:05:10 18 insufficient evidence. This is an issue where there is no
10:05:14 19 evidence in the record whatsoever regarding a motivation to
10:05:18 20 combine references for the purpose of obviousness or a
10:05:23 21 motivation to modify those references.

10:05:26 22 There was no expert testimony whatsoever from
10:05:30 23 Dr. Buehrer on the '284 patent regarding combining
10:05:32 24 references and the motivation to do so, and Dr. Wells on
10:05:36 25 the '774 patent and the '833 patent regarding the same

10:05:43 1 subject. So it is a complete lack of proof.

10:05:45 2 And I would challenge that -- we've looked at the
10:05:47 3 record. There's not any testimony whatsoever.

10:05:50 4 Now, on the '833 patent, Dr. Wells discussed the
10:05:54 5 substance of his validity opinion at 827, 5 through 14.

10:06:01 6 And if it's helpful to Your Honor, I actually have the
10:06:05 7 pages in hard copy if you would like those. But otherwise
10:06:10 8 if you would like to look at the electronic copy.

10:06:16 9 THE COURT: I've heard your argument. Let me hear
10:06:18 10 Apple's response to it.

10:06:20 11 MR. SELWYN: Your Honor, Dr. Buehrer and Dr. Wells
10:06:23 12 did present sufficient evidence for this to go to the jury
10:06:26 13 on obviousness for all three.

10:06:28 14 They presented evidence regarding the similarity
10:06:32 15 of the references. They explained how they were directed
10:06:35 16 to similar problems. And they further described why they
10:06:38 17 were directed towards similar problems.

10:06:40 18 A reasonable jury can infer from all of the
10:06:44 19 evidence that was presented on those three patents that
10:06:47 20 there is a motivation to combine, and for the reasons that
10:06:50 21 were expressed by the experts, also a reasonable
10:06:53 22 expectation of success in that combination as well.

10:06:58 23 The suggestion seems to be that some magic words
10:07:01 24 were not stated by the experts, but they all presented
10:07:01 25 underlying evidence from which, consistent with Your

10:07:05 1 Honor's instructions, the jury could infer both a
10:07:09 2 motivation to combine expectation of success as supported
10:07:14 3 by all the predicate testimony offered by Dr. Wells and
10:07:18 4 Dr. Buehrer on the '774, '284, and '833 patents.

10:07:22 5 THE COURT: All right.

10:07:23 6 MR. WELLS: May I respond quickly, Your Honor?

10:07:25 7 THE COURT: Briefly.

10:07:26 8 MR. WELLS: Dr. Wells's analysis on the '833
10:07:34 9 patent was a total of nine lines of testimony. He was
10:07:41 10 asked by Mr. Mueller: Have you considered Dr. Madisetti's
10:07:45 11 infringement theory at -- at each one of the claim
10:07:50 12 limitations?

10:07:50 13 His answer: Yes, I have.

10:07:52 14 What's your conclusion?

10:07:53 15 Dr. Madisetti's opinion where the row-by-row
10:07:56 16 doesn't need to be row-by-row then these four pieces of
10:07:58 17 prior art would render this -- this claim invalid.

10:08:01 18 That's it. That's his analysis. There's no
10:08:04 19 discussion of the content of the art or how to combine the
10:08:08 20 four references.

10:08:09 21 With regard to the '774 patent, there's two
10:08:12 22 references. He mentioned Hottinen in the second reference
10:08:16 23 and said that Hottinen had a gain, and this is at 816, 15
10:08:19 24 through 24. That's it. No discussion of how you would
10:08:23 25 combine these references whatsoever.

10:08:24 1 '284 patent, he's combining three references, and
10:08:28 2 that's the transcript at 741, 15 through 18.

10:08:33 3 How do these two documents relate to your analysis
10:08:37 4 requirements 1, 2, and 3?

10:08:39 5 These two documents together disclose all three
10:08:41 6 elements 1, 2 and 3 --

10:08:41 7 THE COURT: Please slow down.

10:08:42 8 MR. WELLS: Sorry. As well as the preamble.

10:08:45 9 That's it.

10:08:46 10 THE COURT: Okay.

10:08:48 11 MR. WELLS: That's his in-depth discussion. No
10:08:52 12 discussion of combinations.

10:08:53 13 THE COURT: Anything further from Defendant,
10:08:55 14 Mr. Selwyn, on this issue?

10:08:57 15 MR. SELWYN: Your Honor, very briefly, because I
10:09:00 16 believe that is an incomplete recitation of the evidence on
10:09:01 17 these patents.

10:09:01 18 On the '833 patent, Dr. Wells testified at
10:09:04 19 Page 826 about three of the four documents being Qualcomm
10:09:09 20 documents, the other being a 3 -- 3GPP/Samsung technical
10:09:15 21 document. Thus, all of them having a reason to combine.

10:09:19 22 There's also a reason to combine those references
10:09:21 23 because they're all about LTE, from which the jury can
10:09:25 24 easily infer from the base of the references.

10:09:27 25 On the '284 patents, the obviousness combination

10:09:30 1 was based upon DTX-0102 and 0106, which are both early
10:09:37 2 versions of the specifications of the LTE standards.

10:09:41 3 And the third reference in the combination is a
10:09:44 4 Samsung Tdoc.

10:09:45 5 So all three references are proposals or adopted
10:09:48 6 proposals for cellular standards derived from the very same
10:09:52 7 process as the LTE standard, again, supporting a reason for
10:09:57 8 motivation to combine, which the jury could easily infer.

10:10:01 9 And the last with respect to the '774 patent, both
10:10:05 10 Murakami and Hottinen could be combined based on the face
10:10:08 11 of the references and the testimony of Dr. Buehrer who
10:10:11 12 explain that both relate to multi-antenna cellular
10:10:15 13 communication and on Dr. Mahon's testimony that they both
10:10:19 14 relate to CDMA.

10:10:19 15 THE COURT: All right. I've heard enough argument
10:10:22 16 on this, counsel.

10:10:24 17 Let's move to Defendant's request to present
10:10:27 18 targeted argument regarding contributory infringement and
10:10:30 19 Doctrine of Equivalents.

10:10:30 20 Mr. Selwyn, let me hear from you, please.

10:10:34 21 MR. SELWYN: Thank you.

10:10:35 22 Your Honor, first, with respect to Doctrine of
10:10:36 23 Equivalents, Plaintiffs didn't offer any DOE opinion for
10:10:40 24 the '284 patent, Claims 1, 14, and 27, or for the '833
10:10:45 25 patent, Claim 8, or for the '332 patent, Claim 6 or 7.

10:10:52 1 And in view of the absence of any evidence or
10:10:55 2 suggestion or theory under the Doctrine of Equivalents,
10:10:58 3 Apple is entitled to judgment of no infringement under the
10:11:02 4 DOE for those claims.

10:11:03 5 With respect to Claim 6 of the '774 patent and
10:11:08 6 Claims 1 and 10 of the '557 patent, the testimony offered
10:11:12 7 by the Plaintiffs was entirely conclusory from -- and
10:11:20 8 insufficient to support infringement under the Doctrine of
10:11:22 9 Equivalents.

10:11:23 10 Dr. Wells and Mr. Lanning both explained why that
10:11:25 11 evidence doesn't support the arguments, and, therefore,
10:11:28 12 Apple is also entitled to judgment of no infringement for
10:11:31 13 those claims.

10:11:32 14 With respect to contributory infringement, as an
10:11:35 15 initial matter, the Plaintiffs didn't present sufficient
10:11:38 16 evidence to prove contributory evidence -- contributory
10:11:42 17 infringement because they didn't prove direct infringement
10:11:44 18 of any asserted claim, but, moreover, they also failed to
10:11:48 19 present any evidence that the chipset issue in the accused
10:11:52 20 products have no substantial infringing use or that Apple
10:11:55 21 knew that the combination for which its components were
10:11:59 22 especially made were both patented and infringing as
10:12:02 23 Section 271(c) require.

10:12:04 24 THE COURT: All right. Let me hear a response
10:12:08 25 from Plaintiff.

10:12:09 1 MR. WELLS: Thank you, Your Honor.

10:12:14 2 I'll take the easier issue up first, contributory
10:12:17 3 infringement.

10:12:17 4 The parties haven't suggested a jury instruction
10:12:20 5 on this issue. So this is not an issue that's going to go
10:12:24 6 to the -- the jury. And the parties, I believe, are agreed
10:12:26 7 on that.

10:12:28 8 THE COURT: All right. What about on the Doctrine
10:12:30 9 of Equivalents?

10:12:31 10 MR. WELLS: Dr. Mahon and Dr. Madisetti both
10:12:33 11 presented their DOE opinions regarding the '557 and '774
10:12:38 12 patents, respectively. And Dr. Mahon also -- Mahon, sorry,
10:12:42 13 also provided his opinions regarding the '284 patent
10:12:45 14 equivalence under the mean-plus-function claim.

10:12:49 15 We have dueling experts on this issue. They have
10:12:52 16 different opinions. It's not a basis for judgment as a
10:12:54 17 matter of law on those issues.

10:12:56 18 THE COURT: All right. Thank you.

10:12:57 19 Let me also ask for some clarification on one of
10:13:02 20 the issues, counsel, that I didn't raise earlier. There
10:13:07 21 seems to be part of the Plaintiffs' moving papers under
10:13:12 22 Rule 50(a) addressed to the topic of patent exhaustion.
10:13:15 23 And there seems to be a dispute between the parties as to
10:13:19 24 whether this is an issue for the jury trial or the bench
10:13:21 25 trial that will follow.

10:13:22 1 The pre-trial order in the case seems to indicate
10:13:26 2 it's a bench trial issue. But Plaintiff seems to feel
10:13:31 3 compelled to move on it under Rule 50(a), which would only
10:13:35 4 relate to matters fully heard before the jury regarding the
10:13:41 5 '774 patent, I believe.

10:13:43 6 What is the part -- what are the parties'
10:13:46 7 positions with regard to the exhaustion issue?

10:13:48 8 MR. WELLS: May I approach the podium?

10:13:51 9 THE COURT: Please, Mr. Wells.

10:13:52 10 MR. WELLS: Your Honor, Defendant was required to
10:14:00 11 present evidence of exhaustion in its case-in-chief per the
10:14:05 12 Court's rulings on the pre-trial proceedings at the
10:14:08 13 pre-trial conference.

10:14:09 14 The Court stated: I do not intend to have a
10:14:12 15 separate evidence -- to have separate evidence produced
10:14:15 16 during the bench trial that's not produced at the jury
10:14:17 17 trial. The witnesses are going to be -- put up the
10:14:19 18 entirety of the evidence during the jury portion of the
10:14:22 19 trial, with the exception of the equitable issue -- issues
10:14:25 20 regarding FRAND and the late disclosure to ETSI, which
10:14:29 21 would go to the bench only.

10:14:32 22 Exhaustion evidence was supposed to be put forward
10:14:34 23 here, and then any issues addressed later. There is no
10:14:37 24 evidence in the record of the exhaustion issue.

10:14:40 25 THE COURT: What's Apple's posture on this,

10:14:43 1 Mr. Selwyn?

10:14:44 2 MR. SELWYN: Your Honor, as you'll recall, Apple
10:14:49 3 moved for summary judgment on its patent exhaustion
10:14:53 4 defense. That was denied. We maintain all the positions
10:14:57 5 that were stated in our summary judgment motion for
10:15:01 6 purposes of appeal. That is our position.

10:15:07 7 THE COURT: All right. Well, with regard to the
10:15:32 8 motions urged by both Plaintiffs and Defendant under
10:15:39 9 Federal Rule of Civil Procedure 50(a), I remind the parties
10:15:43 10 of the language of the rule itself, which states: If a
10:15:45 11 party has been fully heard on an issue during a jury trial
10:15:49 12 and the Court finds that a reasonable jury would not have a
10:15:54 13 legally sufficient evidentiary basis to find for the party
10:15:57 14 on that issue, the Court may grant a motion for judgment as
10:16:07 15 a matter of law.

10:16:07 16 You'll note that the rule does not say the Court
10:16:10 17 shall grant a motion for judgment as a matter of law.

10:16:14 18 But, in my view, having read your briefing, having
10:16:19 19 heard your argument, I will grant Plaintiffs' motion,
10:16:23 20 without objection from Defendant, that any defense of
10:16:26 21 anticipation under Section 102 is not a part of this case
10:16:30 22 and is not an operative defense for Apple.

10:16:35 23 With regard to the various other matters urged
10:16:39 24 under Rule 50(a) by both Plaintiff and Defendant, which
10:16:44 25 would include the obviousness issues that we heard argument

10:16:47 1 on, there is a motion for judgment as a matter of law by
10:16:52 2 Plaintiff regarding Section 101 as to the '332 patent.

10:16:58 3 I've heard the parties' positions on exhaustion
10:17:02 4 regarding the '774.

10:17:03 5 The Plaintiff has moved for judgment as a matter
10:17:05 6 of law on all claims asserted under all patents-in-suit
10:17:11 7 that infringement has been established as a matter of law.

10:17:14 8 Consequently, and correspondingly, Defendants
10:17:17 9 moved for just the opposite, that there's been an
10:17:21 10 establishment as -- should be judgment as a matter of law
10:17:24 11 establishing that there's no infringement on any claims of
10:17:27 12 any of the patents-in-suit.

10:17:31 13 Plaintiff has moved for judgment as a matter of
10:17:33 14 law that infringement by the Defendant is willful.

10:17:37 15 Defendant has moved correspondingly that any
10:17:42 16 infringement would not be willful as a matter of law.

10:17:46 17 Plaintiff has moved for judgment as a matter of
10:17:48 18 law on the damages issue, establishing its damages request
10:17:54 19 to the jury of \$506 million as a matter of law.

10:17:59 20 Defendant has moved that there are no damages that
10:18:01 21 should be awarded, in corresponding oppositeness to the
10:18:09 22 Plaintiffs' position.

10:18:13 23 We've heard argument on contributory and --
10:18:15 24 contributory infringement and DOE. Defendants also moved
10:18:19 25 for judgment as a matter of law on induced infringement and

10:18:21 1 direct infringement. I've mentioned its position on
10:18:26 2 willfulness and damages.

10:18:30 3 Defendant's moved that all the patents-in-suit are
10:18:33 4 invalid as a matter of law under Rule 50(a), and Defendant
10:18:38 5 has moved for judgment as a matter of law under Rule 50(a)
10:18:42 6 regarding no pre-suit damages concerning particularly the
10:18:48 7 actual notice issue related to the correspondence that's
10:18:53 8 been presented to the jury, the Innography evidence, and
10:18:58 9 the ETSI evidence.

10:18:59 10 I believe those are all the matters raised by the
10:19:02 11 respective parties in the briefing filed over the weekend.
10:19:06 12 Having heard your arguments, I'll grant judgment as a
10:19:10 13 matter of law on the anticipation issue, as I've mentioned.

10:19:13 14 All other matters urged by both Plaintiffs and
10:19:17 15 Defendant seeking judgment as a matter of law under 50 --
10:19:21 16 under Rule 50(a) are denied.

10:19:22 17 All right. Counsel, it's 20 minutes after 10:00.
10:19:28 18 I'm going to take a short recess, and at 20 minutes until
10:19:37 19 11:00 -- 20 minutes from now, I'd like to meet with counsel
10:19:42 20 in chambers.

10:19:43 21 And it's my intention, then, to conduct an
10:19:47 22 informal charge conference discussing the parties' latest
10:19:50 23 joint submission regarding the final jury instructions and
10:19:52 24 the verdict form. I intend to hear fully and informally
10:19:57 25 from all parties.

10:20:02 1 All counsel involved are invited -- if you've made
10:20:07 2 an appearance in the case, you're invited to participate.

10:20:12 3 As I noted earlier, lead counsel that will be
10:20:12 4 presenting closing arguments are not required to be
10:20:16 5 present. And it's my understanding that neither
10:20:17 6 Mr. Sheasby nor Mr. Mueller will be present for the
10:20:21 7 informal charge conference, but everyone else who has
10:20:23 8 appeared in the case is certainly welcome and invited to be
10:20:27 9 included in the process.

10:20:29 10 I will see those of you participating in the
10:20:32 11 informal charge conference in chambers at 20 minutes until
10:20:38 12 11:00.

10:20:39 13 Until then, the Court stands in recess.

10:20:41 14 COURT SECURITY OFFICER: All rise.

10:21:05 15 (Recess.)

10:21:06 16 (Jury out.)

10:21:06 17 COURT SECURITY OFFICER: All rise.

10:21:07 18 THE COURT: Be seated, please.

02:07:00 19 As mentioned on the record after we completed
02:07:16 20 argument and action by the Court on motions under Rule
02:07:21 21 50(a), I have subsequently conducted an informal charge
02:07:26 22 conference with counsel in chambers where we have
02:07:30 23 thoroughly reviewed the parties' previous submissions
02:07:34 24 regarding the final jury instructions and verdict form.

02:07:37 25 There's been a free-flowing exchange of thoughts,

02:07:40 1 ideas, and information, both with questions from the Court
02:07:44 2 and questions and comments from the parties.

02:07:48 3 And from that informal charge conference and with
02:07:53 4 the benefit of what was explained and shared and discussed
02:07:56 5 therein, the Court has generated what it now believes to be
02:08:00 6 the appropriate final jury instructions and the appropriate
02:08:04 7 verdict form to submit in this case.

02:08:08 8 It's now my intention to conduct a formal charge
02:08:12 9 conference on the record and review with the parties any
02:08:14 10 matters where they have objections with the final jury
02:08:19 11 instructions and verdict form as I have delivered it to
02:08:23 12 them.

02:08:23 13 And I'll note that I've delivered it to them with
02:08:28 14 an opportunity to review it and consider it in light of any
02:08:32 15 changes that may have been made since we concluded the
02:08:34 16 informal charge conference.

02:08:35 17 Counsel, my practice and what I would like in this
02:08:39 18 case is to have one representative of both Plaintiffs and
02:08:42 19 Defendant go to the podium, remain at the podium. And I
02:08:46 20 intend to go through, first, the final jury instructions
02:08:49 21 page-by-page, and then the verdict form page-by-page.

02:08:53 22 And at any place in that process where you believe
02:08:59 23 an objection should be made both as to something that has
02:09:04 24 been included or something that has been omitted, I'll be
02:09:07 25 happy to hear from you at that juncture.

02:09:10 1 But doing this beginning at the first page and
02:09:13 2 going to the last page is my way of making sure I don't
02:09:17 3 overlook or fail to consider anything that might be
02:09:22 4 appropriately raised as part of this formal charge
02:09:24 5 conference.

02:09:24 6 So, with that, if I could have Plaintiffs'
02:09:28 7 spokesperson and Defendant's spokesperson go to the podium,
02:09:31 8 please, Ms. Glasser and Mr. Selwyn. And we'll begin with
02:09:37 9 the final jury instructions.

02:09:41 10 Is there any objection from either party to
02:09:44 11 anything set forth on the first page, being the cover page
02:09:47 12 of the final jury instructions?

02:09:48 13 MS. GLASSER: No, Your Honor.

02:09:50 14 MR. SELWYN: No, Your Honor.

02:09:51 15 THE COURT: Turning then to Page 2 of the final
02:09:54 16 jury instructions, is there objection here from either
02:09:56 17 Plaintiff or Defendant?

02:09:57 18 MS. GLASSER: No, Your Honor.

02:09:58 19 MR. SELWYN: No, Your Honor.

02:09:59 20 THE COURT: Turning to Page 3, is there objection
02:10:01 21 from either party?

02:10:02 22 MS. GLASSER: No, Your Honor.

02:10:04 23 MR. SELWYN: No.

02:10:04 24 THE COURT: Next is Page 4. Is there objection
02:10:07 25 from either party?

02:10:09 1 MS. GLASSER: No, Your Honor.

02:10:10 2 MR. SELWYN: None, Your Honor.

02:10:11 3 THE COURT: Page 5, is there objection from either
02:10:15 4 party?

02:10:17 5 MS. GLASSER: No, Your Honor.

02:10:18 6 MR. SELWYN: No objection, Your Honor.

02:10:20 7 THE COURT: Next is Page 6. Is there objection
02:10:23 8 from either party?

02:10:24 9 MS. GLASSER: No, Your Honor.

02:10:26 10 MR. SELWYN: No objection, Your Honor.

02:10:28 11 THE COURT: Turning then to Page 7, is there
02:10:30 12 objection from either Plaintiffs or Defendant?

02:10:32 13 MS. GLASSER: No, Your Honor.

02:10:33 14 MR. SELWYN: Your Honor, no specific objection.
02:10:36 15 We would just note --

02:10:37 16 THE COURT: You'll need to speak up, Mr. Selwyn,
02:10:41 17 or pull the microphone a little closer.

02:10:43 18 MR. SELWYN: Pardon me, Your Honor. We have
02:10:45 19 nothing specific on this page. We would note an objection
02:10:47 20 to the Court not instructing the jury separately on method
02:10:51 21 versus apparatus claims, as Apple had proposed in its
02:10:56 22 instructions 10, 14, 17, and 18, for example.

02:10:58 23 THE COURT: All right. That objection is
02:10:59 24 overruled.

02:11:00 25 Is there anything further on Page 7?

02:11:02 1 If not, I'll turn to Page 8.

02:11:05 2 Is there objection here from either party?

02:11:07 3 MS. GLASSER: No, Your Honor.

02:11:08 4 MR. SELWYN: No, Your Honor.

02:11:09 5 THE COURT: Next is Page 9.

02:11:10 6 Is there objection from either party?

02:11:13 7 MS. GLASSER: No, Your Honor.

02:11:14 8 MR. SELWYN: No objection, Your Honor.

02:11:15 9 THE COURT: Next is Page 10.

02:11:19 10 Is there objection from either party?

02:11:21 11 MS. GLASSER: No, Your Honor.

02:11:22 12 MR. SELWYN: Yes, Your Honor. Apple objects to
02:11:26 13 the sentence that reads: However, that does not mean that
02:11:29 14 every word of the claim must exist identically in the
02:11:33 15 accused products.

02:11:36 16 Apple suggests that is not a correct statement of
02:11:38 17 law and references, for example, Lemelson against United
02:11:43 18 States, U.S. 7 -- 752 F.2d 1538; Laitram against Rexnord,
02:11:51 19 939 F.2d 1533; and Biodex against Loredan, 946 F.2d 850.

02:11:56 20 THE COURT: Mr. Selwyn, I'm not able to hear all
02:12:00 21 the detail of what you're saying. I don't want the two of
02:12:05 22 you to be unacceptably close to each other. It may be that
02:12:10 23 when one of you needs to speak, the other one should step
02:12:12 24 aside and let the one who's speaking have unfettered
02:12:16 25 access to the microphone.

02:12:17 1 But given where you are and the softness of your
02:12:21 2 voice, I'm concerned that what you're saying is not coming
02:12:25 3 through in the record.

02:12:25 4 MR. SELWYN: I will try to speak up, Your Honor.
02:12:27 5 Would you like me to repeat what I just said?

02:12:27 6 THE COURT: Please, just for completeness, please
02:12:30 7 reurge your objection.

02:12:32 8 MR. SELWYN: Certainly. With respect to Page 10
02:12:34 9 of the instructions, Apple objects to the sentence that
02:12:37 10 reads: However, that does not mean that every word of the
02:12:39 11 claim must exist identically in the accused products.

02:12:44 12 Apple respectfully suggests that's not a correct
02:12:49 13 statement of the law and refers, for example, to the
02:12:51 14 Federal Circuit's decisions in Lemelson, 752 F.2d 1538;
02:12:57 15 Laitram, 939 F.2d 1533; and Biodex, 946 F.2d 850.

02:13:06 16 THE COURT: All right. That objection is
02:13:07 17 overruled.

02:13:08 18 Is there anything further from either party on
02:13:10 19 Page 10?

02:13:11 20 MS. GLASSER: No, Your Honor.

02:13:12 21 MR. SELWYN: No, Your Honor.

02:13:13 22 THE COURT: Turning then, counsel, to Page 11 of
02:13:16 23 the final jury instructions, is there objection here from
02:13:21 24 either party?

02:13:22 25 MS. GLASSER: No, Your Honor.

02:13:25 1 MR. SELWYN: None, Your Honor.

02:13:26 2 THE COURT: Next is Page 12, is there objection
02:13:29 3 from either party?

02:13:30 4 MS. GLASSER: None, Your Honor.

02:13:32 5 MR. SELWYN: No objection, Your Honor.

02:13:33 6 THE COURT: Next is Page 13, is there objection
02:13:36 7 from either party?

02:13:38 8 MS. GLASSER: Your Honor, there's a suggestion on
02:13:40 9 the term "might" at the bottom of the page at Page -- the
02:13:43 10 second to last line to change the word "might" to "would"
02:13:46 11 to avoid the suggestion that it would be optional to find
02:13:51 12 infringement if the -- substantially the same
02:13:55 13 function-way-result test was found to be met.

02:13:59 14 THE COURT: All right. That objection is
02:14:01 15 overruled.

02:14:01 16 Anything further on Page 13?

02:14:03 17 MR. SELWYN: Nothing, Your Honor.

02:14:05 18 THE COURT: Turning then to Page 14 of the final
02:14:08 19 jury instructions, is there objection here from either
02:14:10 20 party?

02:14:11 21 MS. GLASSER: No, Your Honor.

02:14:12 22 MR. SELWYN: No objection.

02:14:14 23 THE COURT: Next is Page 15.

02:14:16 24 Any objection?

02:14:19 25 MR. SELWYN: No objection, Your Honor.

02:14:21 1 MS. GLASSER: No, Your Honor.

02:14:21 2 THE COURT: Next is Page 16.

02:14:24 3 Any objection?

02:14:27 4 MS. GLASSER: No, Your Honor.

02:14:28 5 MR. SELWYN: Your Honor, on Page 16, Apple objects
02:14:34 6 to the lack of inclusion of its proposed instruction, and
02:14:42 7 in particular the language that Apple had proposed,
02:14:44 8 reading:

02:14:45 9 To determine whether Apple acted willfully,
02:14:48 10 consider all facts. These may include, but are not limited
02:14:51 11 to, whether or not Apple acted consistently with the
02:14:54 12 standards of behavior for its industry, whether or not
02:14:58 13 Apple reasonably believed it did not infringe or that the
02:15:02 14 patent was invalid, whether or not Apple made a good faith
02:15:07 15 effort to avoid infringing Plaintiffs' asserted patents,
02:15:10 16 for example, whether Apple attempted to design around
02:15:12 17 Plaintiffs' asserted patents, and whether or not Apple
02:15:15 18 tried to cover up its infringement.

02:15:18 19 THE COURT: All right. That objection is
02:15:18 20 overruled.

02:15:19 21 Anything further here before we move on?

02:15:22 22 MS. GLASSER: No, Your Honor.

02:15:23 23 MR. SELWYN: No, Your Honor.

02:15:24 24 THE COURT: Then let's turn next to Page 17 of the
02:15:27 25 final jury instructions.

02:15:28 1 Is there objection from either party?

02:15:30 2 MS. GLASSER: No, Your Honor.

02:15:31 3 MR. SELWYN: No objection, Your Honor.

02:15:33 4 THE COURT: Next is Page 18.

02:15:35 5 Is there objection?

02:15:36 6 MS. GLASSER: No, Your Honor.

02:15:43 7 MR. SELWYN: No objection, Your Honor.

02:15:44 8 THE COURT: Next is Page 19.

02:15:47 9 Is there objection from either party?

02:15:49 10 MS. GLASSER: No, Your Honor.

02:15:51 11 MR. SELWYN: No objection, Your Honor.

02:15:52 12 THE COURT: Next is Page 20, is there objection

02:15:54 13 from either party?

02:15:56 14 MS. GLASSER: Yes, Your Honor.

02:15:57 15 Six lines from the bottom of the page, the

02:16:01 16 instruction states: You must then consider the proper

02:16:04 17 amount of damages, comma, if any, to award to Optis.

02:16:10 18 Plaintiffs request that "if any" be removed since

02:16:13 19 upon a finding that at least one valid claim has been

02:16:16 20 infringed, Section 284 requires at least a reasonable

02:16:19 21 royalty to be awarded.

02:16:24 22 THE COURT: That's overruled.

02:16:30 23 Anything further on Page 20?

02:16:32 24 MS. GLASSER: No, Your Honor.

02:16:33 25 MR. SELWYN: No, Your Honor.

02:16:34 1 THE COURT: Turning then to Page 21, is there
02:16:38 2 objection here from either party?

02:16:41 3 MS. GLASSER: Your Honor, there is not a specific
02:16:42 4 objection to this alone.

02:16:46 5 However, in conjunction with the verdict form,
02:16:52 6 Plaintiffs object to the description here of the way in
02:16:55 7 which the evidence was presented on lump sum and running
02:17:00 8 royalties because it -- we believe that on the verdict
02:17:01 9 form, it would not be appropriate for the jury to select
02:17:06 10 lump sum on the basis of the evidence that came in the
02:17:09 11 record, which from both parties was based on a fee paid per
02:17:15 12 unit. There is not a basis in the record for the jury to
02:17:19 13 properly select that lump sum option on the verdict form.

02:17:22 14 THE COURT: All right. That objection is
02:17:23 15 overruled.

02:17:23 16 Anything further on Page 21?

02:17:27 17 MR. SELWYN: On Page 21, Your Honor, Apple
02:17:29 18 believes that there should be an instruction added two
02:17:35 19 sentences up from the bottom that should indicate that no
02:17:39 20 damages may be awarded prior to at the earliest -- the
02:17:46 21 filing of the -- the service of the complaint because there
02:17:49 22 was no evidence presented of any damages before that period
02:17:52 23 of time.

02:17:55 24 THE COURT: That objection is overruled.

02:17:57 25 Anything further?

02:17:58 1 MS. GLASSER: No, Your Honor.

02:18:01 2 THE COURT: Then let's turn to Page 22 of the
02:18:04 3 proposed final -- of the final jury instructions.

02:18:07 4 Is there objection from either party?

02:18:10 5 MS. GLASSER: Plaintiffs note for the record the
02:18:12 6 same objection on the fully paid-up lump sum royalty that
02:18:17 7 was stated previously.

02:18:18 8 THE COURT: Objection is noted and overruled.

02:18:20 9 Anything from Defendant on Page 22?

02:18:23 10 MS. GLASSER: And I apologize, Your Honor, there
02:18:25 11 was an additional one, as well, at the bottom of the page.

02:18:29 12 A request that in -- before listing out the
02:18:35 13 Georgia-Pacific factors, given that the parties referred to
02:18:38 14 them as the Georgia-Pacific factors through trial, we would
02:18:42 15 respectfully request that the Court clarify that the listed
02:18:47 16 factors are the ones that were referred during the trial to
02:18:51 17 the -- referred to during the trial as the Georgia-Pacific
02:18:53 18 factors.

02:18:59 19 THE COURT: All right. That objection is
02:19:00 20 overruled.

02:19:01 21 Anything further on Page 22?

02:19:05 22 MR. SELWYN: Nothing for Apple, Your Honor.

02:19:07 23 THE COURT: Anything further for Plaintiff,
02:19:10 24 Ms. Glasser?

02:19:11 25 MS. GLASSER: No, Your Honor.

02:19:11 1 THE COURT: Then let's turn to Page 23 -- well, 23
02:19:16 2 is the remainder of the factors.

02:19:18 3 Is there any objection on Page 23?

02:19:21 4 MS. GLASSER: Not other than the one previously
02:19:24 5 stated, Your Honor.

02:19:25 6 MR. SELWYN: Your Honor, Apple objects to the
02:19:27 7 Court giving an instruction on the commercial relationship
02:19:30 8 between the licensor and licensee, such as whether they are
02:19:33 9 competitors in the same territory, in the same line of
02:19:36 10 business or whether they are inventor and promoter. Apple
02:19:42 11 does not believe that should be given.

02:19:51 12 THE COURT: Mr. Selwyn, I've, as you can see,
02:19:57 13 removed what otherwise would be the numbers from the 15
02:20:01 14 Georgia-Pacific factors since I am charging, at the
02:20:07 15 parties' request, on less than all of the Georgia-Pacific
02:20:09 16 factors.

02:20:11 17 Can you refresh my recollection as to which
02:20:16 18 numbered factor this would otherwise be?

02:20:19 19 MR. SELWYN: Factor 5, Your Honor, with a little
02:20:22 20 help from my colleague.

02:20:24 21 THE COURT: I remember Factor 4 and Factor 6. I
02:20:27 22 don't remember any discussion of Factor 5. Have you raised
02:20:30 23 an objection prior to this moment as to Factor 5?

02:20:34 24 MR. SELWYN: Your Honor, I believe we did in our
02:20:38 25 written submission, Docket No. --

02:20:41 1 THE COURT: Did you raise an objection in the
02:20:43 2 informal charge conference where we met for an hour or so
02:20:46 3 to review all these various matters?

02:20:51 4 MR. SELWYN: May I have one moment, Your Honor?

02:21:11 5 Your Honor, I don't believe that we discussed or
02:21:13 6 raised it in the informal charge conference. The reason
02:21:16 7 for us putting it on the record now is in the event that
02:21:20 8 this matter were, I believe, tried with respect to the
02:21:26 9 FRAND issue.

02:21:27 10 THE COURT: All right. I'm going to overrule
02:21:36 11 Defendant's objection in this regard on Page 23.

02:21:41 12 Is there anything further from either party on
02:21:44 13 Page 23?

02:21:45 14 MS. GLASSER: No, Your Honor.

02:21:46 15 THE COURT: Mr. Selwyn?

02:21:47 16 MR. SELWYN: Nothing further on Page 23.

02:21:49 17 THE COURT: Then let's turn to Page 24 of the
02:21:52 18 final jury instructions.

02:21:53 19 Is there objection here from either party?

02:21:55 20 MS. GLASSER: Yes, Your Honor. Plaintiffs object
02:21:57 21 to the language discussing the two special apportionment
02:22:02 22 issues and listing out the first and second, on the ground
02:22:05 23 that they improperly suggest that an additional level of
02:22:08 24 apportionment should be performed beyond that already
02:22:13 25 incorporated within the Georgia-Pacific analysis and the

02:22:16 1 underlying discussion of directing the value to the
02:22:20 2 patented benefits.

02:22:23 3 THE COURT: All right. That objection is
02:22:27 4 overruled.

02:22:27 5 Anything further on Page 24?

02:22:31 6 MR. SELWYN: Your Honor, may I have one moment?

02:22:59 7 Your Honor, two objections with respect to
02:23:01 8 Page 24.

02:23:02 9 One is on the sentence at the top of the page:
02:23:06 10 Now no one of these factors is dispositive, and you can and
02:23:10 11 should consider the evidence that has been presented to you
02:23:13 12 in this case on each of these factors.

02:23:15 13 Apple objects to the extent that there are factors
02:23:18 14 listed on which Mr. Kennedy has not provided any -- any
02:23:22 15 evidence.

02:23:23 16 And on the bottom of the page, right before the
02:23:27 17 last paragraph, Apple requests inclusion of the remainder
02:23:33 18 of its apportionment instruction with respect to the
02:23:37 19 smallest salable patent practicing unit.

02:23:40 20 THE COURT: All right. Well, with regard to
02:23:43 21 Apple's objection as to the remainder of its proposed
02:23:47 22 instruction as to the smallest practicing -- SSPPU, that's
02:23:54 23 overruled.

02:23:56 24 As regards the sentence at the top of Page 24
02:24:00 25 regarding the Georgia-Pacific factors, Mr. Selwyn, I

02:24:05 1 deleted every Georgia-Pacific -- factor that the Defendants
02:24:10 2 raised an objection to in the informal charge conference
02:24:14 3 except No. 5, which you didn't object to in the informal
02:24:18 4 charge conference.

02:24:18 5 Are you telling me that there are factors here
02:24:20 6 that you objected to in the informal charge conference that
02:24:25 7 for some reason have survived and are in this document?
02:24:28 8 Because it was my intention to delete each of the factors
02:24:32 9 that the Defendant objected to.

02:24:35 10 MR. SELWYN: Correct, Your Honor. I'm not
02:24:36 11 suggesting that.

02:24:37 12 THE COURT: Okay. Well, whatever you are
02:24:39 13 suggesting is overruled.

02:24:40 14 All right. Next is Page 25.

02:24:42 15 Is there objection here from either party?

02:24:44 16 MS. GLASSER: No, Your Honor.

02:24:45 17 MR. SELWYN: No, Your Honor.

02:24:46 18 THE COURT: All right. Turning to the next page,
02:24:52 19 Page 26, is there objection here from either party?

02:24:54 20 MS. GLASSER: No, Your Honor.

02:24:57 21 MR. SELWYN: No objection, Your Honor.

02:24:58 22 THE COURT: Turning to the final page of the final
02:25:00 23 jury instructions, is there objection from either party?

02:25:02 24 MS. GLASSER: No, Your Honor.

02:25:04 25 MR. SELWYN: No objection, Your Honor.

02:25:05 1 THE COURT: All right. Counsel, let's turn then,
02:25:08 2 next, to the verdict form. This has followed the same path
02:25:13 3 from your last joint submission through discussion in the
02:25:16 4 informal charge conference to generation of what you have
02:25:21 5 before you, and we will address this in the same manner as
02:25:23 6 we did the final jury instructions.

02:25:25 7 With regard to the cover page or the first page of
02:25:29 8 the verdict form, is there objection here from either
02:25:31 9 party?

02:25:32 10 MS. GLASSER: No, Your Honor.

02:25:33 11 MR. SELWYN: No objection, Your Honor.

02:25:34 12 THE COURT: Turning to Page 2, which has certain
02:25:38 13 instructions and identifying information listed on it, is
02:25:41 14 there objection here from either party?

02:25:44 15 MS. GLASSER: No, Your Honor.

02:25:45 16 MR. SELWYN: No objection.

02:25:46 17 THE COURT: Page 3, which includes instructions to
02:25:49 18 the -- to the jury, are there objections to anything on
02:25:51 19 Page 3?

02:25:52 20 MS. GLASSER: No, Your Honor.

02:25:53 21 MR. SELWYN: No objection.

02:25:55 22 THE COURT: Turning to Page 4 of the verdict form
02:25:58 23 where Question 1 is located, is there objection here from
02:26:01 24 either party?

02:26:02 25 MS. GLASSER: I'll just state for the record the

02:26:05 1 objection raised in chambers regarding the instruction to
02:26:08 2 bypass the validity question if a finding of
02:26:12 3 non-infringement is entered.

02:26:14 4 THE COURT: All right. That's overruled.

02:26:16 5 Is there objection here from the Defendant?

02:26:18 6 MR. SELWYN: Yes. For the record, Your Honor
02:26:20 7 Apple objects to Question 1 because it does not break out
02:26:24 8 infringement by patent or by literal infringement and
02:26:27 9 infringement under the Doctrine of Equivalents.

02:26:29 10 THE COURT: That's overruled.

02:26:30 11 I'll turn next to Page 5 where Question 2 to the
02:26:35 12 jury is located.

02:26:37 13 Is there objection here from either party?

02:26:39 14 MS. GLASSER: No, Your Honor.

02:26:40 15 MR. SELWYN: No objection, Your Honor.

02:26:44 16 THE COURT: Turning then to Page 6 where
02:26:48 17 Question 3 to the jury is located, is there objection here
02:26:52 18 from either party?

02:26:53 19 MS. GLASSER: No, Your Honor.

02:26:56 20 MR. SELWYN: Your Honor, for the record, Apple
02:26:58 21 objects to Question No. 3, essentially for the same reason
02:27:01 22 as Question 1 -- that is, it does not break out willful
02:27:06 23 infringement by patent or by literal infringement and
02:27:10 24 infringement under the Doctrine of Equivalents.

02:27:11 25 THE COURT: That's overruled.

02:27:13 1 Turning next to Page 7 where Question 4A is
02:27:18 2 located, is there objection here?

02:27:20 3 MS. GLASSER: No, Your Honor.

02:27:27 4 MR. SELWYN: Your Honor, Apple objects to
02:27:29 5 Question 4 because it does not break out the amount of
02:27:33 6 damages by patent.

02:27:36 7 THE COURT: All right. Then we'll turn from
02:27:39 8 Page 7 to Page 8 where Question 4B, being the last question
02:27:43 9 in the verdict form, is located.

02:27:45 10 Is there objection here from either Plaintiffs or
02:27:48 11 Defendant?

02:27:49 12 MS. GLASSER: Yes, Your Honor. As mentioned
02:27:52 13 previously, Plaintiffs object on the ground that the only
02:27:54 14 evidence put into the record from either side was based on
02:27:59 15 a fee paid per unit. And, moreover, that future units are
02:28:03 16 not part of the present trial by the infringement case
02:28:09 17 extended here only to units sold up through the date of
02:28:14 18 trial and the acts of infringement through the date of
02:28:16 19 trial.

02:28:16 20 On those bases, Plaintiffs' position is that there
02:28:19 21 is no basis in the record for the jury to enter a lump-sum
02:28:24 22 checkmark there. And, furthermore, that the inclusion of
02:28:27 23 that option, coupled with the jury instructions, could
02:28:30 24 confuse and mislead the jury.

02:28:32 25 THE COURT: All right. Plaintiffs' objection to

02:28:36 1 Question 4B on Page 8 of the verdict form is overruled.

02:28:39 2 Any objection here from the Defendants?

02:28:42 3 MR. SELWYN: Apple has no objection to

02:28:45 4 Question 4B.

02:28:45 5 THE COURT: We'll turn then to Page 9, which is

02:28:48 6 the final page of the verdict form. Is there objection

02:28:51 7 here from either party?

02:28:52 8 MS. GLASSER: No, Your Honor.

02:28:53 9 MR. SELWYN: No, Your Honor.

02:28:56 10 THE COURT: All right. That will complete the

02:28:58 11 formal charge conference.

02:29:00 12 Counsel, I don't think there will be any changes

02:29:02 13 needed to these documents, based on what we've just

02:29:05 14 completed.

02:29:06 15 I need to print a couple copies for each side to

02:29:09 16 have in their possession before I bring in the jury and

02:29:14 17 start with the final jury instructions.

02:29:16 18 And I will do that and return to the bench

02:29:20 19 shortly.

02:29:22 20 Are there any other issues or any questions that

02:29:26 21 either Plaintiff or Defendant have that they would like to

02:29:29 22 raise at this point before I make these final copies and

02:29:32 23 then proceed to begin the Court's final jury instructions?

02:29:36 24 MS. GLASSER: Not with respect to the jury

02:29:37 25 instructions and verdict form.

02:29:38 1 I did just want to confirm for the record, our
02:29:41 2 understanding is that the Plaintiffs will permit the
02:29:45 3 confidential information that is included in the slides
02:29:48 4 that were pre-exchanged to be shown during closing without
02:29:52 5 sealing the courtroom.

02:29:53 6 But given the importance of the issue and the
02:29:55 7 protective order, I wanted to get that on the record and --
02:29:59 8 and make sure that that -- that there was no issue with
02:30:03 9 that.

02:30:03 10 THE COURT: Well, the parties have met and
02:30:05 11 conferred. Lead counsel who are going to present closing
02:30:09 12 arguments have met and conferred as to what to expect from
02:30:12 13 each other. I spent a considerable amount of time early
02:30:15 14 this morning going through disputed demonstrative slides
02:30:18 15 for counsels's closing arguments.

02:30:20 16 With all of that, there should be no question at
02:30:22 17 this point as to whether the Court will or will not need to
02:30:25 18 seal the courtroom during final arguments from the parties.

02:30:28 19 Does either Plaintiff or Defendant wish to seal
02:30:31 20 the courtroom during closing arguments?

02:30:33 21 MR. MUELLER: No, Your Honor.

02:30:34 22 THE COURT: Mr. Sheasby?

02:30:35 23 MR. SHEASBY: No, Your Honor.

02:30:37 24 THE COURT: Okay. All right. With that, I'll --
02:30:43 25 the Court stands in recess briefly. I'll be back shortly.

02:30:47 1 COURT SECURITY OFFICER: All rise.

02:30:50 2 (Recess.)

02:30:52 3 (Jury out.)

02:30:53 4 COURT SECURITY OFFICER: All rise.

02:30:54 5 THE COURT: Be seated, please.

02:50:32 6 Mr. Sheasby?

02:50:44 7 MR. SHEASBY: I have a request, Your Honor, if I
02:50:46 8 may. If I could have a time call at -- at certain points
02:50:51 9 in time.

02:50:52 10 THE COURT: I'll -- I'll ask for that in just a
02:50:53 11 second. I'll be happy to do my best to give you whatever
02:50:57 12 warnings you ask for, and the same for Mr. Mueller.

02:51:01 13 I want to briefly address everybody in the
02:51:03 14 courtroom, especially those in the gallery. I know most of
02:51:06 15 you here are aligned with one of these parties in one
02:51:11 16 fashion or another. There may be some of you in the
02:51:14 17 gallery who are not affiliated in any way with either
02:51:20 18 party.

02:51:21 19 But regardless of that, I want you to understand
02:51:23 20 that the Court considers its final instructions to the jury
02:51:28 21 and counsels' final arguments as the most serious part of
02:51:33 22 an inherently serious process.

02:51:36 23 Consequently, I don't want any disruptions once I
02:51:37 24 bring the jury in. I don't want to see people getting up
02:51:38 25 and leaving and hearing the door shut. I don't want to

02:51:42 1 hear people whispering back and forth. I don't want to
02:51:46 2 hear papers being rustled. I certainly don't want to hear
02:51:50 3 any electronic devices making noises.

02:51:55 4 So if any of that is not compatible with who you
02:51:58 5 are, then you need to exit the courtroom right now, because
02:52:03 6 once I bring the jury in, I expect this to be serious,
02:52:05 7 quiet, and respectful in all possible ways.

02:52:12 8 Any questions from counsel before we proceed?

02:52:18 9 MR. MUELLER: No, Your Honor.

02:52:20 10 THE COURT: Both of you have 45 minutes to present
02:52:24 11 your final arguments. And as I get to the point where I
02:52:27 12 call upon you to present your closing arguments, I'll ask
02:52:31 13 you for what time warnings you might want.

02:52:33 14 MR. SHEASBY: Thank you, Your Honor.

02:52:34 15 THE COURT: All right. Let's bring in the jury,
02:52:37 16 please.

02:52:37 17 COURT SECURITY OFFICER: All rise.

02:52:57 18 (Jury in.)

02:52:59 19 THE COURT: Welcome back, ladies and gentlemen of
02:53:14 20 the jury. Please have a seat.

02:53:16 21 I know you've been here since 10:30 this morning.
02:53:22 22 You remember I told you on Friday, it's an art and not a
02:53:26 23 science. I apologize for the length of time it's taken us
02:53:29 24 to get to this point, but we are at this point ready for me
02:53:32 25 to give you my final instructions and what's often called

02:53:36 1 the Court's charge to the jury.

02:53:37 2 Ladies and gentlemen of the jury, you've now heard
02:53:43 3 all the evidence in this case, and I'll now instruct you on
02:53:48 4 the law that you must apply.

02:53:49 5 Now, each of you are going to have your own
02:53:54 6 printed or written copy of these final jury instructions
02:53:57 7 when you retire to the jury room to deliberate in a few
02:54:01 8 moments.

02:54:01 9 You are welcome to take notes, if you like, but I
02:54:05 10 want you to know you will have your own written copy of
02:54:08 11 these instructions to review when you retire to the jury
02:54:11 12 room.

02:54:11 13 It's your duty to follow the law as I give it to
02:54:14 14 you. On the other hand, ladies and gentlemen, as I've
02:54:20 15 previously said, you, the jury, are the sole judges of the
02:54:24 16 facts in this case.

02:54:25 17 Do not consider any statement that I have made
02:54:27 18 over the course of the trial or that I make during these
02:54:30 19 instructions as an indication to you that I have any
02:54:34 20 opinion about the facts in this case.

02:54:35 21 You're about to hear closing arguments from the
02:54:43 22 attorneys. Statements and arguments of the attorneys, I
02:54:45 23 remind you, are not evidence. And they are not
02:54:48 24 instructions on the law. They're intended only to assist
02:54:52 25 the jury in understanding the evidence and the parties'

02:54:57 1 competing contentions.

02:54:59 2 A verdict form has been prepared for you. And you
02:55:02 3 will take this verdict form with you to the jury room. And
02:55:06 4 when you have reached a unanimous decision or agreement as
02:55:10 5 to the verdict, you'll have -- you'll have your foreperson
02:55:13 6 fill in the blanks in the verdict form reflecting those
02:55:17 7 unanimous agreements, sign it, date it, and then deliver it
02:55:21 8 to the Court Security Officer.

02:55:22 9 Answer each question in the verdict form from the
02:55:27 10 facts as you find them to be. Do not decide who you think
02:55:31 11 should win this case and then answer the questions to reach
02:55:35 12 that result. Again, your answers and your verdict in this
02:55:39 13 case, ladies and gentlemen, must be unanimous.

02:55:41 14 In determining whether any fact has been proven in
02:55:46 15 this case, you may, unless otherwise instructed, consider
02:55:50 16 the testimony of all the witnesses, regardless of who may
02:55:55 17 have called them. And you may consider the effect of all
02:55:57 18 the exhibits received and admitted into evidence,
02:56:02 19 regardless of who may have presented or produced them.

02:56:04 20 You, the jurors, are the sole judges of the
02:56:10 21 credibility of each and every witness and the weight and
02:56:13 22 effect to be given to all the evidence in this case.

02:56:15 23 Now, during the course of the trial, you may have
02:56:19 24 been shown documents with some portions of those documents
02:56:23 25 redacted. In those situations, you should not speculate

02:56:27 1 about what may have been redacted or why it was redacted.
02:56:31 2 Those redactions, ladies and gentlemen, were approved by
02:56:34 3 the Court prior to when the trial began.

02:56:37 4 As I've previously told you, the attorneys in this
02:56:41 5 case are acting as advocates for their competing parties
02:56:48 6 and their competing claims, and they have a duty to object
02:56:50 7 when they believe evidence is offered that should not be
02:56:53 8 admitted under the rules of the Court.

02:56:56 9 In that case, when the Court has sustained an
02:57:00 10 objection to a question addressed to a witness, you are to
02:57:02 11 disregard the question entirely, and you may not draw any
02:57:06 12 inferences from its wording or speculate about what the
02:57:10 13 witness would have said if I had permitted them to answer
02:57:16 14 that question.

02:57:17 15 However, on the other hand, if I sustain -- excuse
02:57:20 16 me, if I overruled an objection to a question addressed to
02:57:24 17 a witness, then you're to treat the answer to the question
02:57:28 18 and the question itself just as if no objection had been
02:57:32 19 made -- that is, like any other question and answer during
02:57:37 20 the trial.

02:57:37 21 Now, at times during the trial, ladies and
02:57:40 22 gentlemen, it was necessary for the Court to talk to the
02:57:44 23 lawyers outside of your hearing and your presence. This
02:57:48 24 happens during trials because there are things that
02:57:51 25 sometimes come up that do not involve the jury.

02:57:54 1 You should not speculate, ladies and gentlemen,
02:57:57 2 about what was said during these discussions that took
02:58:00 3 place outside your presence.

02:58:02 4 Now, there are two types of evidence that you may
02:58:07 5 consider in properly finding the truth as to the facts in
02:58:10 6 this case. One is direct evidence, such as the testimony
02:58:14 7 of an eyewitness. The other is indirect, or sometimes
02:58:20 8 called circumstantial evidence. That is the proof of a
02:58:23 9 chain of circumstances that indicates the existence or
02:58:28 10 nonexistence of certain other facts.

02:58:30 11 As a general rule, you should know that the law
02:58:35 12 makes no distinction between direct or circumstantial
02:58:37 13 evidence but simply requires that you, the jury, find the
02:58:42 14 facts based on the evidence presented during the trial,
02:58:46 15 both direct and circumstantial.

02:58:47 16 Now, the parties may have stipulated or agreed to
02:58:52 17 certain facts in this case. When the lawyers for both
02:58:56 18 sides stipulate as to the existence of a fact, you must,
02:59:00 19 unless otherwise instructed, accept the stipulation as
02:59:04 20 evidence and regard the fact as proven.

02:59:06 21 Certain testimony over the course of the trial has
02:59:11 22 been presented to you through depositions. A deposition is
02:59:15 23 the sworn, recorded answers to questions asked to a witness
02:59:19 24 in advance of the trial.

02:59:21 25 If a witness cannot be present to testify in

02:59:25 1 person, then the witness's testimony may be presented under
02:59:28 2 oath in the form of a deposition.

02:59:30 3 As I told you earlier, before the trial, the
02:59:34 4 attorneys representing the parties questioned these
02:59:37 5 deposition witnesses under oath. At that time, a court
02:59:41 6 reporter was present and recorded their sworn testimony.

02:59:45 7 Both sides have had the opportunity to contribute
02:59:48 8 portions of that testimony to be played in open court.

02:59:52 9 Deposition testimony, ladies and gentlemen, is
02:59:56 10 entitled to the same consideration by you, the jury, as
03:00:01 11 testimony given by a witness who appears in person
03:00:04 12 physically from the witness stand.

03:00:07 13 Accordingly, you should judge the credibility and
03:00:12 14 importance of deposition testimony to the best of your
03:00:14 15 ability, just as if the witness had appeared in person and
03:00:16 16 testified before you in open court.

03:00:21 17 Now, while you should consider only the evidence
03:00:23 18 in this case, you should understand, ladies and gentlemen,
03:00:29 19 that you are permitted to draw such reasonable inferences
03:00:32 20 from the testimony and the exhibits as you feel are
03:00:37 21 justified in the light of common experience.

03:00:39 22 In other words, ladies and gentlemen, you may make
03:00:41 23 deductions and reach conclusions based on reason and common
03:00:47 24 sense that leads you to draw these from the facts that have
03:00:52 25 been established by the testimony and the evidence in this

03:00:54 1 case. However, you should not base your decisions on any
03:00:58 2 evidence not presented by the parties in open -- open court
03:01:02 3 during the course of the trial.

03:01:03 4 Now, unless I instruct you otherwise, you may
03:01:09 5 properly determine that the testimony of a single witness
03:01:11 6 is sufficient to prove any fact, even if a greater number
03:01:16 7 of witnesses may have testified to the contrary, if after
03:01:19 8 considering all the other evidence, you believe that single
03:01:23 9 witness.

03:01:24 10 When knowledge of a technical subject may be
03:01:28 11 helpful to the jury, a person who has special training and
03:01:32 12 experience in that technical field, called an expert
03:01:34 13 witness, is permitted to state his or her opinions on those
03:01:39 14 technical matters to the jury.

03:01:44 15 However, ladies and gentlemen, you're not required
03:01:46 16 to accept those opinions. As with any other witness, it's
03:01:50 17 solely up to you to decide who you believe and who you
03:01:54 18 don't believe and whether or not you want to rely on their
03:01:57 19 testimony.

03:01:57 20 Now, certain exhibits have been shown to you
03:01:59 21 during the course of the trial that were illustrations. We
03:02:03 22 call these types of exhibits demonstrative exhibits or
03:02:08 23 sometimes just demonstratives for short.

03:02:10 24 Demonstrative exhibits are a party's description,
03:02:14 25 picture, or model to describe something involved in the

03:02:17 1 trial. If your recollection differs from the
03:02:22 2 demonstratives, you should rely on your recollection.

03:02:26 3 Remember, demonstrative exhibits, which are
03:02:29 4 sometimes called jury aids, are not evidence, but the
03:02:34 5 witness's testimony during which a demonstrative is used is
03:02:38 6 evidence.

03:02:41 7 In any legal action, facts must be proven by a
03:02:45 8 required amount of evidence known as the burden of proof.
03:02:48 9 The burden of proof in this case is on the Plaintiffs for
03:02:54 10 some issues and on the Defendant for other issues.

03:02:57 11 There are two burdens of proof that you will apply
03:03:00 12 in this case. One is the preponderance of the evidence.
03:03:04 13 The other is clear and convincing evidence.

03:03:05 14 Now, the Plaintiffs in this case, Optis Wireless
03:03:10 15 Technology, LLC, PanOptis Patent Management, LLC, Optis
03:03:18 16 Cellular Technology, LLC, Unwired Planet, LLC, and Unwired
03:03:28 17 Planet International Limited, who you will hear simply
03:03:31 18 referred to throughout the remainder of these instructions
03:03:33 19 and counsels' arguments as the Plaintiffs.

03:03:37 20 You may hear them collectively referred to as
03:03:40 21 Optis, some may refer to them jointly as PanOptis. All
03:03:44 22 three of these mean the same thing. They're the
03:03:47 23 Plaintiffs, and the Plaintiffs have the burden of proving
03:03:50 24 patent infringement by a preponderance of the evidence.

03:03:51 25 Optis also has the burden of proving willful

03:03:56 1 patent infringement by a preponderance of the evidence.

03:03:59 2 And Optis also has the burden of proving damages
03:04:10 3 for patent infringement by a preponderance of the evidence.

03:04:11 4 A preponderance of the evidence means evidence
03:04:13 5 that persuades you that a claim is more probably true than
03:04:17 6 not true. And this is sometimes talked about as being the
03:04:21 7 greater weight and degree of credible testimony.

03:04:24 8 Now, the Defendant in this case is Apple Inc., who
03:04:30 9 you will hear referred to, and have throughout the trial,
03:04:33 10 either as Defendant or as Apple. And Apple has the burden
03:04:37 11 of proving patent invalidity by clear and convincing
03:04:41 12 evidence.

03:04:43 13 Clear and convincing evidence means evidence that
03:04:48 14 produces in your mind an abiding conviction that the truth
03:04:52 15 of the party's factual contentions are highly probable.

03:04:56 16 Although proof to an absolute certainty is not
03:04:59 17 required, the clear and convincing evidence standard
03:05:03 18 requires a greater degree of persuasion than is necessary
03:05:07 19 for the preponderance of the evidence standard.

03:05:09 20 If the proof establishes in your mind, ladies and
03:05:13 21 gentlemen, an abiding conviction in the truth of the
03:05:17 22 matter, then the clear and convincing evidence standard has
03:05:21 23 been met.

03:05:22 24 Now, as I told you previously, these burdens of
03:05:27 25 proof, neither one, are to be confused with the burden of

03:05:31 1 proof called beyond a reasonable doubt, which is the burden
03:05:35 2 of proof we apply in criminal cases.

03:05:38 3 The burden of proof, beyond a reasonable doubt,
03:05:40 4 does not apply in this or any other civil case. You should
03:05:45 5 not confuse clear and convincing evidence with evidence
03:05:49 6 beyond a reasonable doubt. Clear and convincing evidence
03:05:54 7 is not as high a burden as beyond a reasonable doubt, but
03:05:59 8 it is a higher burden than the preponderance of the
03:06:03 9 evidence.

03:06:03 10 Now, in determining whether any fact has been
03:06:06 11 proved by a preponderance of the evidence or by clear and
03:06:08 12 convincing evidence, you may, unless otherwise instructed,
03:06:13 13 consider the stipulations, the testimony of the witnesses,
03:06:17 14 regardless of who called them, and all the evidence --
03:06:21 15 evidence -- excuse me, all the exhibits received into
03:06:24 16 evidence during the course of the trial, regardless of who
03:06:27 17 may have produced them.

03:06:28 18 Now, as I did at the beginning of the case, I'll
03:06:32 19 give you a summary of each side's contentions, and then
03:06:36 20 I'll provide you with detailed instructions on what each
03:06:40 21 side must prove to win on each of its contentions.

03:06:44 22 As I previously said, this action is one for
03:06:47 23 patent infringement, and this case concerns five separate
03:06:50 24 United States patents. They are:

03:06:54 25 United States Patent No. 8,019,332, which you've

03:07:01 1 heard referred to throughout the trial as the '332 patent;
03:07:04 2 United States Patent No. 8,385,284, which you've
03:07:11 3 heard to referred to consistently as the '284 patent;
03:07:17 4 United States Patent No. 8,411,557, which you've
03:07:21 5 heard referred to throughout the trial as the '557 patent;
03:07:27 6 United States Patent No. 8,102,833, which you've
03:07:31 7 heard referred to as the '833 patent;
03:07:36 8 And United States patent 9,001,774, which you've
03:07:41 9 heard referred to consistently throughout the trial as the
03:07:48 10 '774 patent.
03:07:48 11 I will refer to these as the patents-in-suit or as
03:07:51 12 the asserted patents, and in so doing, ladies and
03:07:57 13 gentlemen, I'm referring to all five of them collectively.
03:08:00 14 Optis has alleged that certain iPhones, iPads, and
03:08:04 15 Apple Watches directly infringe the asserted claims either
03:08:08 16 literally or through the Doctrine of Equivalents.
03:08:10 17 Additionally, Optis has alleged that certain iPhones,
03:08:16 18 iPads, and Apple Watches indirectly infringe the asserted
03:08:21 19 claims of the asserted patents.
03:08:24 20 Sometimes in these instructions I'll refer to the
03:08:28 21 products -- these products in shorthand by just calling
03:08:31 22 them the accused products.
03:08:32 23 Optis contends that the accused products infringe
03:08:35 24 the following claims:
03:08:39 25 Claims 6 and 7 of the '332 patent;

03:08:42 1 Claims 1, 14, and 27 of the '284 patent;
03:08:46 2 Claims 1 and 10 of the '557 patent;
03:08:51 3 Claim 6 of the '774 patent;
03:08:56 4 And Claim 8 of the '833 patent.

03:08:58 5 These claims are sometimes referred to as the
03:09:07 6 asserted claims, and Optis also alleges that Apple's
03:09:11 7 infringement is and has been willful. Optis seeks damages
03:09:13 8 in the form of a reasonable royalty for Apple's alleged
03:09:16 9 infringement.

03:09:17 10 Apple denies that the accused products infringe
03:09:22 11 the asserted claims of the asserted patents. Apple further
03:09:26 12 denies that it willfully infringed any claim of the
03:09:31 13 asserted patents. Apple also contends that the asserted
03:09:37 14 claims are invalid. Apple denies that it owes Optis any
03:09:41 15 damages in this case.

03:09:50 16 Now, it's your job, members of the jury, to decide
03:09:53 17 whether Optis has proven that Apple has infringed any of
03:09:57 18 the asserted claims of the asserted patents and whether
03:09:59 19 that infringement was willful. You must also decide
03:10:02 20 whether Apple has proven that any of the asserted claims of
03:10:06 21 the asserted patents are invalid.

03:10:08 22 If you decide that any of the asserted claims have
03:10:15 23 been infringed and are not invalid, then you will need to
03:10:18 24 decide the amount of money damages to be awarded to Optis
03:10:21 25 to compensate it for that infringement.

03:10:25 1 I'll now instruct you on a number of established
03:10:28 2 facts, and you must take these facts as true when deciding
03:10:31 3 the issues in this case.

03:10:32 4 No. 1. The '332 patent was filed for on December
03:10:39 5 the 8th, 2010, and was issued on September the 13th, 2011,
03:10:45 6 by the United States Patent and Trademark Office, as you've
03:10:49 7 heard them called the PTO. The '332 patent has an
03:10:55 8 effective filing date of March the 7th, 2008.

03:10:57 9 2. The '833 patent was filed for on September the
03:11:03 10 11th, 2008, and issued on January the 24th, 2012, by the
03:11:11 11 PTO. The '833 patent has an effective filing date of
03:11:15 12 November the 13th, 2007.

03:11:18 13 No. 3. The '284 patent was filed for on August
03:11:26 14 the 16th, 2010, and issued on February the 26th, 2013, by
03:11:32 15 the PTO. The '332 patent has the effective filing date of
03:11:43 16 December 20th, 2007.

03:11:45 17 No. 4. The '557 patent was filed for on December
03:11:49 18 21st, 2011, and issued on April the 2nd, 2013, by the PTO.
03:11:55 19 The '557 patent has an effective filing date of March the
03:11:59 20 20th, 2006.

03:12:00 21 No. 5. The '774 patent was filed for on November
03:12:07 22 the 12th, 2013, and issued on April the 7th, 2015, by the
03:12:13 23 PTO. The '774 patent has an effective filing date of April
03:12:18 24 the 21st of 2005.

03:12:21 25 Now, before you decide many of the issues in this

03:12:25 1 case, ladies and gentlemen, you'll need to understand the
03:12:28 2 role of the patent claims. The claims of a patent are
03:12:32 3 those numbered sentences at the end of the patent. The
03:12:36 4 claims define the owner's rights under the law.

03:12:39 5 The claims are important, because it's the words
03:12:43 6 of the claims themselves that define what the patent
03:12:48 7 covers. The figures and the text in the rest of the patent
03:12:51 8 are intended to provide a description or examples of the
03:12:56 9 invention, and they provide a context for the claims, but
03:12:59 10 it is the claims, ladies and gentlemen, that define the
03:13:02 11 breadth of the patent's coverage.

03:13:05 12 Each claim is effectively treated as if it were
03:13:09 13 its own separate patent, and each claim may cover more or
03:13:14 14 cover less than any other claim. Therefore, what a patent
03:13:17 15 covers collectively or as a whole depends on what each of
03:13:22 16 its claims covers.

03:13:25 17 You'll first need to understand what each claim
03:13:28 18 covers in order to decide whether or not there is
03:13:30 19 infringement of that claim and to decide whether or not the
03:13:34 20 claim is invalid.

03:13:36 21 The first step is to understand the meaning of the
03:13:39 22 words used in the patent claim.

03:13:43 23 Now, the law says that it is my role as the judge
03:13:46 24 to define the terms of the claims, but it's your role as
03:13:51 25 the jury to apply my definitions to the issues that you're

03:13:56 1 asked to decide in this case.

03:13:58 2 So, accordingly, and as I explained at the
03:14:01 3 beginning of the case, I've determined the meaning of
03:14:04 4 certain claim language, and I've provided to you
03:14:06 5 definitions of those claim terms in your juror notebooks.

03:14:10 6 You must accept my definitions of these words in
03:14:14 7 the claims as being correct. And it's your job to take
03:14:18 8 these definitions that I've supplied and apply them to the
03:14:21 9 issues that you are asked to decide, including the issues
03:14:26 10 of infringement and invalidity.

03:14:29 11 My interpretation of the claim terms should not be
03:14:35 12 taken by you as an indication that I have any view
03:14:39 13 regarding the issues of infringement or invalidity.

03:14:41 14 The decisions regarding these issues, infringement
03:14:46 15 and invalidity, are yours to make, ladies and gentlemen.

03:14:48 16 For claim limitations where I have not
03:14:51 17 construed -- that is, defined or interpreted -- any
03:14:54 18 particular term, you're to use the plain and ordinary
03:15:00 19 meaning of that term as understood by one of ordinary skill
03:15:03 20 in the art, which is to say in the field of technology of
03:15:08 21 the patent at the time of the alleged invention.

03:15:10 22 The meaning of the words of the patent claims must
03:15:13 23 be the same when deciding both the issues of infringement
03:15:22 24 and validity.

03:15:23 25 I'll explain to you how a claim defines what it

03:15:29 1 covers.

03:15:30 2 A claim sets forth in words a set of requirements.
03:15:34 3 Each claim sets forth its requirements in a single
03:15:37 4 sentence. If a device satisfies each of these requirements
03:15:41 5 in that sentence, then it is covered by and infringes the
03:15:45 6 claim.

03:15:45 7 There can be several claims in a patent. A claim
03:15:49 8 may be narrower or broader than another claim by setting
03:15:53 9 forth more or fewer requirements. The coverage of a patent
03:15:57 10 is assessed on a claim-by-claim basis.

03:16:00 11 In patent law, the requirements of a claim are
03:16:04 12 often referred to as the claim elements, or they're
03:16:08 13 sometimes called the claim limitations.

03:16:10 14 When a product meets all of the requirements of a
03:16:13 15 claim, it is said it meets all of its limitations or all of
03:16:18 16 its elements, and the claim is said to cover that product,
03:16:21 17 and that product is said to fall within the scope of that
03:16:25 18 claim.

03:16:25 19 In other words, a claim covers a product where
03:16:29 20 each of the claim elements or limitations is present in
03:16:33 21 that product.

03:16:34 22 If a product is missing even one limitation or
03:16:37 23 element of a claim, the product is not covered by that
03:16:40 24 claim.

03:16:43 25 However, it doesn't mean that every word of the

03:16:45 1 claim must exist identically in the accused products. If
03:16:51 2 the product is not covered by the claim, the product does
03:16:53 3 not infringe the claim.

03:16:55 4 Now, this case involves two types of patent
03:16:58 5 claims, ladies and gentlemen, independent claims and
03:17:02 6 dependent claims.

03:17:03 7 An independent claim does not refer to any other
03:17:05 8 claim in the patent. An independent claim sets forth all
03:17:08 9 the requirements that must be met in order to be covered by
03:17:13 10 the claim. It's not necessary to look to any other claim
03:17:16 11 to determine what an independent claim covers.

03:17:19 12 On the other hand, a dependent claim does not by
03:17:24 13 itself recite all the requirements of the claim but refers
03:17:28 14 to another claim or claims for some of its requirements.
03:17:32 15 In this way, the dependent claim depends on another claim.

03:17:38 16 The law considers a dependent claim to incorporate
03:17:43 17 all the requirements of the claim or claims to which it
03:17:46 18 refers, or as we sometimes say, from which it depends, as
03:17:52 19 well as those additional claim terms set forth -- those
03:17:55 20 additional elements set forth in the dependent claim
03:17:58 21 itself.

03:17:58 22 To determine what a dependent claim covers, it's
03:18:03 23 necessary to look at both the dependent claim itself and
03:18:06 24 any other claim or claims to which it refers or from which
03:18:10 25 it depends.

03:18:10 1 A product that meets all the requirements of both
03:18:13 2 the dependent claim and the claim or claims to which it
03:18:16 3 refers or from which it depends is covered by that
03:18:21 4 dependent claim.

03:18:22 5 Now, certain claims in the asserted patents use
03:18:27 6 the phrase "means for." This "means for" phrase has a
03:18:34 7 special meaning in patent law. It's called a
03:18:36 8 mean-plus-function requirement. It does not cover all of
03:18:42 9 the structures that could perform the function set forth in
03:18:45 10 the claim.

03:18:46 11 Instead, it covers a structure or set of
03:18:49 12 structures that performs that function and that is either
03:18:52 13 identical or equivalent to the structures described in the
03:18:57 14 patent for performing the function.

03:18:59 15 The issue of whether two structures are identical
03:19:02 16 or equivalent is for you to decide.

03:19:04 17 Certain claims in the asserted patents use the
03:19:09 18 word "comprising." Comprising means including or
03:19:12 19 containing.

03:19:14 20 When the word "comprising" is used, a product that
03:19:17 21 includes all the limitations or elements of the claim, as
03:19:22 22 well as additional elements, is covered by the claim. Some
03:19:25 23 of the claims of the patents-in-suit use the word
03:19:29 24 "including." In a claim, "including" means comprising.

03:19:33 25 For example, if you take a claim that covers the

03:19:37 1 invention of a table, if the claim recites a table -- a
03:19:42 2 table comprising a tabletop, four legs, and the nails to
03:19:47 3 hold the legs and the tabletop together, the claim will
03:19:51 4 cover any table that contains these structures, even if the
03:19:55 5 table also contains other structures, such as leaves that
03:20:00 6 would go in the tabletop or wheels that would go on the
03:20:03 7 ends of the legs.

03:20:04 8 Now, that's a simple example using the word
03:20:06 9 "comprising" and what it means. In other words, ladies and
03:20:09 10 gentlemen, it can have other features in addition to those
03:20:14 11 that are covered by the patent.

03:20:16 12 If a product is missing even one element or
03:20:19 13 limitation of a claim, it does not meet all the
03:20:23 14 requirements of the claim and is not covered by the claim.
03:20:26 15 If a product is not covered by the claim, it does not
03:20:30 16 infringe that claim.

03:20:34 17 I'll now instruct you on infringement in more
03:20:38 18 detail.

03:20:38 19 If a person makes, uses, sells, or offers for sale
03:20:44 20 within the United States or imports into the United States
03:20:48 21 what is covered by a patent claim without the patent
03:20:51 22 owner's permission, that person is said to infringe the
03:20:53 23 patent.

03:20:55 24 To determine whether there is infringement, you
03:20:58 25 must compare the asserted claims, as I've defined each of

03:21:02 1 them, to the accused products.

03:21:04 2 You should not compare the accused products with
03:21:09 3 any specific example set out in the patent or with the
03:21:14 4 prior art in reaching your decision on infringement. As
03:21:17 5 I've reminded you during the trial, the only correct
03:21:21 6 comparison is between the accused product and the language
03:21:24 7 of the claim itself.

03:21:26 8 You must reach your decision as to each assertion
03:21:30 9 of infringement based on my instructions about the meaning
03:21:33 10 and scope of the claims, the legal requirements for
03:21:39 11 infringement, and the evidence presented to you by both of
03:21:44 12 the parties.

03:21:44 13 I'll now instruct you on the specific rules that
03:21:47 14 you must follow to determine whether Optis has proven that
03:21:50 15 Apple has infringed one or more of the patent claims
03:21:53 16 involved in this case.

03:21:54 17 In order to prove infringement of a patent claim,
03:21:59 18 Optis must show by a preponderance of the evidence that the
03:22:02 19 accused product includes each requirement or limitation of
03:22:07 20 the claim, either literally or under the Doctrine of
03:22:09 21 Equivalents.

03:22:10 22 The issue of infringement, ladies and gentlemen,
03:22:13 23 is assessed on a claim-by-claim basis within each patent.
03:22:18 24 Therefore, there may be infringement of a particular patent
03:22:21 25 as to one claim, even if there is no infringement as to

03:22:24 1 other claims in that patent.

03:22:27 2 In this case, Optis contends that Apple literally
03:22:31 3 infringes Claims 6 and 7 of the '332 patent; Claims 1, 14,
03:22:37 4 and 27 of the '284 patent; Claim 8 of the '833 patent.

03:22:44 5 In addition, Optis contends that Apple infringes
03:22:48 6 Claims 1 and 10 of the '557 patent, and Claim 6 of the '774
03:22:55 7 patent, both literally and under the Doctrine of
03:22:57 8 Equivalents.

03:22:57 9 In order to infringe literally a patent claim --
03:23:05 10 or I should say to literally infringe a patent claim, the
03:23:10 11 accused product must include or perform each and every
03:23:13 12 element of the claim.

03:23:13 13 Thus, in determining whether Apple infringes
03:23:18 14 Optis's asserted claims, you must determine if the accused
03:23:21 15 product contains or performs each and every element recited
03:23:25 16 in the claim of the asserted patent.

03:23:28 17 A claim element is literally present if it exists
03:23:32 18 in or is performed by the accused product as it is
03:23:37 19 described in the claim language, either as I've explained
03:23:40 20 it to you, or if I did not explain it, according to the
03:23:44 21 plain and ordinary meaning as understood by one of ordinary
03:23:47 22 skill in the art.

03:23:47 23 For Claims 1 and 10 of the '557 patent and Claim 6
03:23:54 24 of the '774 patent, if an accused product does not
03:23:58 25 literally infringe the claim, there can still be

03:24:02 1 infringement if Optis proves that the accused product
03:24:05 2 satisfies the claim under the Doctrine of Equivalents.

03:24:09 3 Under the Doctrine of Equivalents, an accused
03:24:14 4 product infringes a claim if it performs steps or contains
03:24:19 5 elements corresponding to each requirement of the claim
03:24:22 6 that are equivalent to, even though not literally met by,
03:24:26 7 the accused product.

03:24:28 8 You may find that a step or element is -- is
03:24:32 9 equivalent to a requirement of a claim that is not
03:24:35 10 literally met if a person having ordinary skill in the
03:24:39 11 field of the technology of the patent would have considered
03:24:42 12 the differences between them to be insubstantial or would
03:24:47 13 have found that the structures perform substantially
03:24:53 14 the same function in substantially the same way to -- to
03:24:58 15 achieve substantially the same results as the requirements
03:25:01 16 of that claim limitation.

03:25:03 17 Going back to an example I gave you earlier about
03:25:12 18 a patent claim that recites a table comprising as its
03:25:17 19 elements, a tabletop, legs, and nails.

03:25:19 20 A table that, in fact, contained a tabletop, legs,
03:25:23 21 and nails would literally infringe the patent claim.

03:25:25 22 However, a table that consisted, instead, of a
03:25:28 23 tabletop, legs, and screws, instead of nails, might still
03:25:34 24 infringe the same claim under the Doctrine of Equivalents
03:25:36 25 if the screws, when used to perform substantially the same

03:25:40 1 function as the nails in substantially the same way
03:25:45 2 achieves substantially the same result.

03:25:47 3 Now, that's an example illustrating the Doctrine
03:25:50 4 of Equivalents.

03:25:50 5 In order to prove that an accused product meets a
03:25:56 6 limitation under the Doctrine of Equivalents, Optis, the
03:25:58 7 Plaintiff, must prove the equivalency to the claim element
03:26:06 8 by a preponderance of the evidence.

03:26:07 9 A patent can be directly infringed even if the
03:26:09 10 alleged infringer did not have knowledge of the patent and
03:26:13 11 without the infringer knowing that what it was doing is
03:26:17 12 infringement of the claim.

03:26:20 13 A patent may also be directly infringed, even
03:26:23 14 though the accused infringer believes in good faith that
03:26:26 15 what it is doing is not infringement of the patent.

03:26:29 16 Now, as I have previously explained, certain
03:26:35 17 claims include requirements that are mean-plus-function
03:26:41 18 forms.

03:26:42 19 A product meets a mean-plus-function requirement
03:26:44 20 of a claim if, one, it has a structure or set of structures
03:26:49 21 that performs the identical function recited in the claim;
03:26:53 22 and, two, that structure or set of structures is either
03:26:56 23 identical or equivalent to one or more of the described
03:27:00 24 structures that I defined earlier as performing the
03:27:04 25 associated function of the claim term.

03:27:08 1 If a product does not perform the specific
03:27:10 2 function recited in the claim, the mean-plus-function
03:27:14 3 requirement is not met, and the product does not directly
03:27:17 4 infringe the claim.

03:27:18 5 Alternatively, even if a product has a structure
03:27:22 6 or set of structures that performs the function recited in
03:27:26 7 the claim but the structure or set of structures is neither
03:27:29 8 identical to nor equivalent to the structure that I defined
03:27:35 9 to you as being described in the patent and performing this
03:27:37 10 function, the product does not directly infringe the
03:27:41 11 asserted claim.

03:27:41 12 None of this alters the fact that all of the
03:27:48 13 elements of a claim must be present, either literally or
03:27:51 14 under the Doctrine of Equivalents, for that claim to be
03:27:55 15 infringed.

03:27:55 16 If even a single element of a claim is neither
03:28:02 17 literally present in the accused product nor present under
03:28:05 18 the Doctrine of Equivalents, then you must find that the
03:28:09 19 accused product does not infringe that claim.

03:28:10 20 Optis also alleges in this case that Apple is
03:28:15 21 liable for indirect infringement by actively inducing its
03:28:20 22 users to directly infringe the asserted claims. As with
03:28:25 23 direct infringement, you must determine whether there has
03:28:28 24 been induced infringement on a claim-by-claim basis.

03:28:31 25 Apple is liable for induced infringement of a

03:28:35 1 claim only if Optis proves by a preponderance of the
03:28:40 2 evidence that:

03:28:41 3 (1) the acts have been carried out by Apple's
03:28:45 4 users and directly infringe that claim;

03:28:47 5 (2) Apple has taken action intending to cause the
03:28:53 6 infringing acts by its users,

03:28:55 7 And, (3), Apple has been aware of the asserted
03:29:02 8 patents and has known that the acts of its users constitute
03:29:06 9 infringement of the asserted patents or was willfully blind
03:29:09 10 to that infringement.

03:29:10 11 Now, to establish induced infringement, it's not
03:29:16 12 sufficient that someone else directly infringes a claim,
03:29:19 13 nor is it sufficient that the company accused of inducing
03:29:22 14 another's direct infringement merely had knowledge or
03:29:25 15 notice of an asserted patent or had been aware of the acts
03:29:30 16 by another that allegedly constitute direct infringement,
03:29:35 17 and the mere fact that the company accused of inducing
03:29:38 18 another's direct infringement had known or should have
03:29:40 19 known that there was a substantial risk that someone else's
03:29:44 20 acts would infringe is not sufficient.

03:29:47 21 Rather, in order to find inducement, you must find
03:29:54 22 that Apple specifically intended or was willfully blind to
03:29:58 23 that infringement.

03:29:58 24 In this case, Optis also contends that Apple
03:30:06 25 willfully infringed its patents.

03:30:08 1 If you decide that Apple has infringed, you must
03:30:10 2 go on and separately address the additional issue of
03:30:13 3 whether or not Apple's infringement was willful.

03:30:20 4 Optis must prove willfulness by a preponderance of
03:30:23 5 the evidence. In other words, you must determine whether
03:30:25 6 or not it is more likely than not that Apple willfully
03:30:31 7 infringed.

03:30:31 8 You may not determine that the infringement was
03:30:34 9 willful just because Apple knew of the asserted patents and
03:30:37 10 infringed them.

03:30:42 11 However, you may find that Apple willfully
03:30:44 12 infringed if you find that it acted egregiously, willfully
03:30:51 13 or wantonly. You may find Apple's action were egregious,
03:30:55 14 willful, or wanton if it acted in reckless or callous
03:30:59 15 disregard of, or with indifference to the rights of Optis.

03:31:01 16 A defendant is indifferent to the rights of
03:31:04 17 another when it proceeds in disregard of a high or
03:31:09 18 excessive danger of infringement that was known to it or
03:31:13 19 was apparent to a reasonable person in its position.

03:31:18 20 You're determine, ladies and gentlemen -- your
03:31:21 21 determination, ladies and gentlemen, of willfulness should
03:31:29 22 incorporate the totality of the circumstances based on all
03:31:30 23 the evidence that's been presented during the trial. And
03:31:34 24 willfulness can be established by circumstantial evidence.

03:31:36 25 Knowledge of the existence of a patent or a patent

03:31:41 1 family can be relevant to the question of willful
03:31:44 2 infringement.

03:31:45 3 For example, if Apple knew of the -- of the
03:31:47 4 existence of a patent or subjectively believed that there
03:31:52 5 was a high probability that a patent existed and took
03:31:56 6 deliberate actions to avoid learning of the patent, you may
03:31:58 7 take this into account when considering willfulness. You
03:32:03 8 must -- you may also take into account whether Apple had
03:32:06 9 knowledge of a patent family.

03:32:11 10 I'll now instruct you on the rules that you must
03:32:14 11 follow in deciding whether or not Apple has proven by clear
03:32:21 12 and convincing evidence that the asserted claims of the
03:32:23 13 patents are invalid.

03:32:24 14 An issued United States patent is accorded a
03:32:27 15 presumption of validity based on the presumption that the
03:32:31 16 United States Patent and Trademark Office, which you've
03:32:33 17 heard referred to throughout this trial as the PTO or
03:32:37 18 sometimes just the Patent Office, acted correctly in
03:32:41 19 issuing the patent. This presumption of validity extends
03:32:45 20 to all United States patents that are issued by the PTO.

03:32:50 21 In order to overcome this presumption, Apple must
03:32:53 22 establish by clear and convincing evidence that the
03:32:58 23 Plaintiffs' patents or any claim in the patent is not
03:33:01 24 valid.

03:33:04 25 The time it took the United States Patent and

03:33:07 1 Trademark Office to examine and grant the patents-in-suit
03:33:09 2 is not relevant to any issue in this case. Even though the
03:33:15 3 PTO examiner has allowed the claims of a patent, you have
03:33:19 4 the ultimate responsibility for deciding whether the claims
03:33:23 5 of the patent are valid.

03:33:25 6 Like infringement, ladies and gentlemen,
03:33:28 7 invalidity is determined on a claim-by-claim basis. Claims
03:33:34 8 are construed in the same way for determining infringement
03:33:37 9 as for determining invalidity.

03:33:44 10 You must apply the claim language consistently and
03:33:46 11 in the same manner for issues of infringement and for
03:33:49 12 issues of invalidity. You must determine separately for
03:33:54 13 each claim whether that claim is invalid.

03:33:55 14 Now, at times, you'll hear me make references to
03:34:00 15 the prior art. In patent law, a system, device, method,
03:34:06 16 publication, or patent that predated the patent claim at
03:34:11 17 issue is called prior art.

03:34:14 18 For a prior art reference to be considered for the
03:34:17 19 purposes of determining whether or not the claims are
03:34:21 20 invalid, the prior art item or reference must have been
03:34:25 21 made, known, used, filed, or published more than a year
03:34:31 22 before the effective date of the patent, which you've heard
03:34:36 23 referred to at times as the priority date.

03:34:38 24 As I've previously explained to you, to obtain a
03:34:41 25 patent, one must first file an application with the PTO,

03:34:45 1 the United States Patent and Trademark Office.

03:34:49 2 The process of obtaining a patent is called patent
03:34:52 3 prosecution, and the applications submitted to the PTO
03:34:55 4 includes within it what is called the specification.

03:34:59 5 The specification is required to contain a written
03:35:03 6 description of the claimed invention telling what the
03:35:06 7 invention is, how it works, how to make it, and how to use
03:35:10 8 it.

03:35:10 9 Apple contends that all of the patents-in-suit are
03:35:14 10 invalid as being obvious. Even though an invention may not
03:35:23 11 have been identically disclosed or described before it was
03:35:26 12 made by the inventor in order to be patentable, the
03:35:28 13 invention also must not have been obvious to a person of
03:35:32 14 ordinary skill in the field of technology of the patent at
03:35:37 15 the time the invention was made or before the filing date
03:35:40 16 of the patent.

03:35:40 17 Apple is required to establish that a patent claim
03:35:45 18 is invalid by showing by clear and convincing evidence that
03:35:49 19 the claimed invention would have been obvious to persons
03:35:53 20 having ordinary skill in the art at the time the invention
03:35:58 21 was made or the patent was filed in the field of the
03:36:02 22 invention.

03:36:02 23 In determining whether a claimed invention is
03:36:07 24 obvious, you must consider the level of ordinary skill in
03:36:11 25 the field of the invention that someone would have had at

1 the time the invention was made or the patent was filed,
2 the scope and content of the prior art, and any differences
3 between the prior art and the claimed invention.

4 Keep in mind, ladies and gentlemen, that the
5 existence of each and every element of the claimed
6 invention in the prior art does not necessarily prove
7 obviousness. Most, if not all, inventions rely on the
8 building blocks of prior art.

9 In considering whether a claimed invention is
10 obvious, you may, but are not required to, find obviousness
11 if you find that at the time of the claimed invention or
12 the patent's filing date there was a reason that would have
13 prompted a person of ordinary skill in the field of the
14 invention to combine the known elements in a way that
15 claimed -- that the claimed invention does, taking to it --
16 into account such factors as:

17 (1) whether the claimed invention was merely the
18 predictable result of using prior art elements according to
19 their known function;

20 (2) whether the claimed invention provides an
21 obvious solution to a known problem in the relevant field;

22 (3) whether the prior art teaches or suggests the
23 desirability of combining elements in the claimed
24 invention, such as where there is a motivation to combine;

25 (4) whether the prior art teaches away from

03:37:53 1 combining elements in the claimed invention;

03:37:55 2 (5) whether it would have been obvious to try the
03:37:59 3 combination of elements in the claimed invention, although
03:38:04 4 obvious to try is not sufficient in unpredictable
03:38:08 5 technologies; and

03:38:09 6 (6) whether the change resulted more from design
03:38:16 7 incentives or other market forces.

03:38:19 8 To find that it rendered the invention obvious,
03:38:23 9 you must find that the prior art provided a reasonable
03:38:26 10 expectation of success.

03:38:27 11 In determining whether the claimed invention was
03:38:30 12 obvious, consider each claim separately. Do not use
03:38:34 13 hindsight. In other words, you should not consider what a
03:38:37 14 person of ordinary skill in the art would know now or what
03:38:40 15 has been learned from the teaching of the asserted patents.

03:38:48 16 In making these assessments, you should take into
03:38:52 17 account any objective evidence, sometimes called secondary
03:38:55 18 considerations, that may shed light on the obviousness or
03:38:58 19 not of the claimed invention, such as:

03:39:01 20 (1) whether the invention was commercially
03:39:05 21 successful;

03:39:06 22 (2) whether the invention satisfied -- satisfied a
03:39:10 23 long-felt need in the art;

03:39:11 24 (3) whether others copied the invention;

03:39:14 25 (4) whether the invention achieved unexpected

03:39:19 1 results;

03:39:19 2 (5) whether others in the field praised the
03:39:24 3 invention; and

03:39:24 4 (6) whether the invention departed from other
03:39:30 5 principles or accepted wisdom of the art.

03:39:33 6 Now, no one factor alone is dispositive, and you
03:39:37 7 must consider the obviousness or non-obviousness of the
03:39:40 8 inventions as a whole. These factors are relevant only if
03:39:44 9 there is a connection or nexus between the factor and the
03:39:49 10 asserted claims of the asserted patents.

03:39:53 11 Even if you conclude that some of the above
03:39:56 12 indicators have been established, those factors should be
03:40:00 13 considered along with all other evidence in the case in
03:40:04 14 determining whether Apple has proven that the claimed
03:40:08 15 invention would have been obvious.

03:40:09 16 Now, several times in my instructions, ladies and
03:40:14 17 gentlemen, I've referred to a person of ordinary skill in
03:40:18 18 the field of the invention. It's up to you to decide the
03:40:22 19 level of ordinary skill in the field of the invention.

03:40:25 20 In deciding what the level of ordinary skill is,
03:40:29 21 you should consider all the evidence introduced at the
03:40:32 22 trial including:

03:40:34 23 (1) the levels of education and experience of
03:40:38 24 inventors or other persons working in the field;

03:40:40 25 (2) the types of problems encountered in the

03:40:44 1 field;

03:40:44 2 (3) prior art solutions to those problems;

03:40:48 3 (4) rapidity with which innovations are made; and

03:40:55 4 (5) the sophistication of the technology.

03:40:59 5 A person of ordinary skill in the art is a

03:41:02 6 hypothetical person who is presumed to be aware of all the

03:41:06 7 relevant prior art at the time of the claimed invention.

03:41:08 8 If you find that Optis has proven that Apple has

03:41:15 9 infringed any of the asserted claims and that Apple has

03:41:18 10 failed to show that the asserted claims are invalid, you

03:41:23 11 must then consider the proper amount of damages, if any, to

03:41:26 12 award to Optis.

03:41:28 13 I'll now instruct you about the measure of

03:41:32 14 damages. However, ladies and gentlemen, by instructing you

03:41:34 15 on damages, I'm not suggesting which party should win this

03:41:40 16 case on any issue.

03:41:40 17 If you find that Apple has not infringed any of

03:41:43 18 the asserted claims or that all of the asserted -- excuse

03:41:48 19 me, all of the infringed claims are invalid, then Optis is

03:41:51 20 not entitled to any damages.

03:41:54 21 If you award damages, they must be adequate to

03:41:58 22 compensate Optis for any infringement of the asserted

03:42:02 23 claims you may find. You must not award Optis more damages

03:42:06 24 than are adequate to compensate for the infringement nor

03:42:12 25 should you include any additional amount for the purpose of

03:42:15 1 punishing Apple.

03:42:17 2 The patent laws specifically provide that damages
03:42:20 3 for infringement may not be less than a reasonable royalty.

03:42:25 4 Optis has the burden to establish the amount of
03:42:29 5 its damages by a preponderance of the evidence. In other
03:42:34 6 words, you should only award those damages that Optis
03:42:39 7 establishes that it more likely than not suffered as a
03:42:42 8 result of Apple's infringement of the asserted claims.

03:42:45 9 Now, while Optis is not required to prove the
03:42:49 10 amount of its damages with mathematical precision, it must
03:42:53 11 prove them with reasonable certainty. Optis is not
03:42:57 12 entitled to damages that are remote or speculative.

03:43:00 13 A reasonable royalty, ladies and gentlemen, is the
03:43:05 14 amount of royalty payment that a patentholder and the
03:43:09 15 alleged infringer would have agreed to in a hypothetical
03:43:14 16 negotiation taking place at a time immediately prior to
03:43:17 17 when infringement first began.

03:43:19 18 You've heard references throughout this trial for
03:43:25 19 whether Optis should be entitled to a running royalty or a
03:43:28 20 lump-sum royalty.

03:43:29 21 If you find that Optis is entitled to damages, you
03:43:32 22 must decide whether the parties would have agreed to a
03:43:36 23 running royalty or a fully paid-up, lump-sum royalty at the
03:43:42 24 time of the hypothetical negotiation.

03:43:43 25 A running royalty is a fee paid for the right to

03:43:47 1 use the patent that is paid for each unit of the infringing
03:43:52 2 products that have been sold. If there are additional
03:43:56 3 units sold in the future, any damages for these sales will
03:44:00 4 not be addressed by you.

03:44:01 5 If you decide that a running royalty is
03:44:04 6 appropriate, then the damages that you award, if any,
03:44:08 7 should reflect the total amount necessary to compensate
03:44:11 8 Optis for Apple's past infringement.

03:44:17 9 However, a lump-sum royalty is when the infringer
03:44:19 10 pays a single price for a license covering both past and
03:44:24 11 future infringing sales.

03:44:27 12 If you decide that a lump sum is appropriate, then
03:44:34 13 the damages you award, if any, should reflect the total
03:44:38 14 amount necessary to compensate Optis for Apple's past and
03:44:46 15 future infringement.

03:44:49 16 Now, you've heard throughout the trial references
03:44:53 17 to whether or not the reasonable royalty should be a
03:44:57 18 running royalty or a lump-sum royalty.

03:44:58 19 If you find Optis is entitled to damages, you must
03:45:02 20 decide whether the parties would have agreed to a running
03:45:04 21 royalty or a fully paid-up, lump-sum royalty at the time of
03:45:08 22 the hypothetical negotiation.

03:45:08 23 Now, in considering this hypothetical negotiation,
03:45:11 24 you should focus on what the expectations of the
03:45:16 25 patentholder and the alleged infringer would have been had

03:45:19 1 they entered into an agreement at that time and had they
03:45:22 2 acted reasonably in their negotiations.

03:45:24 3 In determining this, you must assume that both
03:45:26 4 parties believed that the asserted claims were valid and
03:45:30 5 infringed and that both parties were willing to enter into
03:45:36 6 an agreement.

03:45:38 7 The reasonable royalty that you determine must be
03:45:41 8 a royalty that would have resulted from the hypothetical
03:45:43 9 negotiation and not simply a royalty that either party
03:45:44 10 would have preferred.

03:45:45 11 Now, the law requires that any damages awarded to
03:45:50 12 Optis correspond to the value of the alleged inventions
03:45:54 13 within the accused products, as distinct from other
03:45:57 14 unpatented features of the accused product or other factors
03:46:02 15 such as marketing or advertising or Apple's size or market
03:46:06 16 position.

03:46:08 17 This is particularly true where the accused
03:46:11 18 product has multiple features and multiple components not
03:46:14 19 covered by the patent or where the accused product works in
03:46:18 20 conjunction with other non-patented items.

03:46:23 21 Therefore, the amount as you find -- the amount
03:46:25 22 you find as damages must be based on the value attributable
03:46:29 23 to the patented technology alone.

03:46:31 24 In determining a reasonable royalty, you should
03:46:35 25 consider all facts known and available to the parties at

03:46:39 1 the time the infringement began. You should also consider
03:46:44 2 the following:

03:46:46 3 The royalties received by the patentee for the
03:46:48 4 licensing of the patent-in-suit, proving or tending to
03:46:52 5 prove an established royalty;

03:46:54 6 The rates paid by the licensee for the use of
03:46:59 7 other patents comparable to the patents-in-suit;

03:47:02 8 The nature and scope of the license, as either
03:47:10 9 exclusive or non-exclusive or as restricted or
03:47:13 10 non-restricted in terms of territory or with respect to
03:47:16 11 whom the manufactured product may be sold;

03:47:18 12 The commercial relationship between the licensor
03:47:20 13 and licensee, such as whether they're competitors in the
03:47:26 14 same territory in the same line of business or whether they
03:47:29 15 are inventor and promoter;

03:47:32 16 The duration of the patent and the term of the
03:47:34 17 license;

03:47:34 18 The extent to which the infringer has made use of
03:47:38 19 the invention and any evidence probative of the value of
03:47:41 20 that use;

03:47:41 21 The portion of the realizable profit that should
03:47:47 22 be credited to the invention as distinguished from
03:47:49 23 non-patented elements; the manufacturing process, business
03:47:54 24 risks, or significant features or improvements added by the
03:47:58 25 infringer;

03:47:58 1 The opinion testimony of qualified experts; and
03:48:03 2 The -- the amount that a licensor, such as Optis,
03:48:10 3 and a licensee, such as Apple, would have agreed upon at
03:48:13 4 the time the infringement began if both had been reasonably
03:48:19 5 and voluntarily trying to reach an agreement, that is, the
03:48:23 6 amount which a prudent licensee who desired as a business
03:48:26 7 proposition to obtain a license to manufacture and sell a
03:48:29 8 particular article embodying the patented invention would
03:48:34 9 have been willing to pay as a royalty and yet be able to
03:48:38 10 make a reasonable profit and which amount would have been
03:48:42 11 accepted or acceptable by a prudent patentee who was
03:48:47 12 willing to grant a license.

03:48:49 13 Now, no one of these factors is dispositive,
03:48:52 14 ladies and gentlemen. And you can and you should consider
03:48:56 15 the evidence that's been presented to you in this case on
03:48:58 16 each of these factors.

03:49:00 17 You may also consider any other factors which in
03:49:03 18 your minds would have increased or decreased the royalty
03:49:08 19 Apple would have been willing to pay and that the patent
03:49:12 20 owner, Optis, would have been willing to accept with both
03:49:16 21 acting as normally prudent business people.

03:49:19 22 In making a reasonable royalty determination, you
03:49:24 23 may also consider evidence concerning the availability, or
03:49:29 24 lack thereof, of non-infringing alternatives to the
03:49:32 25 patented invention.

03:49:35 1 You may compare the patented invention to
03:49:39 2 non-infringing alternatives to determine the value of the
03:49:41 3 patented invention, including the utility and advantages of
03:49:46 4 the patent over the old modes or devices, if any, that had
03:49:50 5 been used to achieve similar results.

03:49:52 6 When dealing with patents claimed to be standard
03:49:57 7 essential, there are two special apportionment issues that
03:50:03 8 arise.

03:50:04 9 First, the patented feature must be apportioned
03:50:07 10 from all the unpatented features reflected in the standard.

03:50:10 11 Second, the patent owner's royalty must be
03:50:14 12 premised on the value of the patented feature, not any
03:50:18 13 value added by the standard's adoption of the patented
03:50:22 14 technology.

03:50:22 15 These steps are necessary to ensure that the
03:50:25 16 royalty award is based on the incremental value of the
03:50:28 17 patented invention -- that -- the incremental value that
03:50:33 18 the patented invention adds to the product, not any value
03:50:36 19 added by the standardization of that technology. And this
03:50:40 20 is particularly true for patents claimed to be standard
03:50:43 21 essential.

03:50:43 22 As I have already told you, you must not award
03:50:50 23 Optis any additional amount for the purpose of punishing
03:50:54 24 Apple or setting an example.

03:50:56 25 Additionally, you must not consider Optis's

03:50:59 1 allegations of willfulness in considering damages.

03:51:03 2 Consideration of willfulness, ladies and
03:51:06 3 gentlemen, is entirely separate from the question of
03:51:09 4 damages. And you may not increase damages because you find
03:51:14 5 willfulness or decreased damages because you did not find
03:51:17 6 willfulness.

03:51:18 7 I will take your decision regarding the issue of
03:51:23 8 willfulness into account later.

03:51:25 9 With those instructions, ladies and gentlemen,
03:51:27 10 we're now ready to hear closing arguments from the
03:51:31 11 attorneys in this case.

03:51:32 12 Mr. Sheasby, you may now present the Plaintiffs'
03:51:36 13 first closing argument. Would you like a warning or
03:51:40 14 warnings on your time?

03:51:41 15 MR. SHEASBY: Your Honor, we would like warnings
03:51:43 16 on 23 left, 10, and 4 left.

03:51:46 17 And with the Court's permission, Mr. Baxter will
03:51:48 18 present the first part of the closing.

03:51:50 19 THE COURT: All right. 23 minutes remaining from
03:51:53 20 the total of 45?

03:51:54 21 MR. SHEASBY: Yes, Your Honor.

03:51:55 22 THE COURT: 23 -- what was the other warning?

03:51:58 23 MR. SHEASBY: 10 and 4.

03:51:59 24 THE COURT: 10 and 4.

03:52:01 25 All right. Mr. Baxter, you may present the

03:52:06 1 Plaintiffs' first closing argument.

03:52:08 2 MR. BAXTER: Thank you, Your Honor. May it please
03:52:11 3 the Court.

03:52:11 4 Ladies and gentlemen of the jury, we obviously
03:52:15 5 cannot thank you enough. It's been a long week. Seems
03:52:19 6 like it's been longer than a week ago when we picked you,
03:52:24 7 but you've worked hard, and we cannot thank you enough.

03:52:26 8 What I want to do is harken back to what we said,
03:52:30 9 though, on the very first day. And that is, this case is
03:52:35 10 about responsibility, whether or not Apple is going to take
03:52:39 11 responsibility; and, two, what Apple told you is they
03:52:42 12 wanted to look under the hood.

03:52:44 13 Well, I want to look under the hood with you for
03:52:48 14 just a few minutes. And let's talk about what we saw when
03:52:51 15 we did that.

03:52:51 16 The very first thing that we found out is that
03:52:54 17 Apple's expert, who you saw by video, admitted that they
03:52:58 18 practice LTE. And, of course, he had to because that's
03:53:02 19 what they do.

03:53:03 20 They use the LTE network to transmit data and
03:53:07 21 phone conversations and text and videos, and they did it
03:53:11 22 because the 3G that they were using that they got -- they
03:53:15 23 hung with for an extra year was old, it was clunky, your
03:53:19 24 videos stalled, and they simply couldn't compete against
03:53:23 25 Samsung and the other film manufacturers if they kept the

03:53:27 1 old technology.

03:53:28 2 So the very first thing we know is that they use
03:53:31 3 the LTE.

03:53:34 4 And, Jan, if you can get me the slide up.

03:53:38 5 Thank you, ma'am.

03:53:46 6 The second thing as we look under the hood, after
03:53:50 7 we found out that they practice LTE, is we brought to you
03:53:55 8 Johanna Dwyer, an expert who testified for the very first
03:54:00 9 time in her life, was as good an expert as I've seen, and
03:54:04 10 who said that she looked at the patents-in-suit that you
03:54:09 11 have before you, and she looked at the standard.

03:54:14 12 And her job for the last 25 years, as she put it,
03:54:17 13 is to be a chart breaker, to try to break the charts to see
03:54:21 14 how it didn't actually fit a product or a standard.

03:54:24 15 And what did she say after she looked at all of
03:54:29 16 it?

03:54:29 17 They were truly standard essential.

03:54:32 18 Now, the first thing I noticed after that is -- is
03:54:35 19 that Apple didn't have anybody that could map the patents
03:54:40 20 to the standard, nor did they try. There were other
03:54:44 21 experts out there like Ms. Dwyer, not as good, but they
03:54:48 22 could have brought you one. Nothing. Silence. It's not
03:54:52 23 under the hood.

03:54:52 24 But what is under the hood is -- if we can see the
03:54:58 25 next slide -- is the experts they did bring you. They have

03:55:01 1 combined, represented Apple 24 times. They've been paid
03:55:05 2 millions of dollars in direct pay from Apple. They had no
03:55:08 3 data. They had no experiments. They had nothing to really
03:55:13 4 help you out.

03:55:14 5 And, of course, they were going to tell you that,
03:55:16 6 oh, these things don't infringe, and they're invalid,
03:55:19 7 because for the last 24 times, that's exactly what they've
03:55:23 8 done.

03:55:23 9 Well, what was the next thing we might look at?
03:55:27 10 And that is, was there a benefit?

03:55:30 11 And you remember we showed you the chart of a
03:55:33 12 10 percent benefit going down to .19, and collectively a 24
03:55:39 13 percent benefit. And what is it that the experts from
03:55:41 14 Apple said?

03:55:42 15 Well, Mr. Lanning said that he didn't have any
03:55:47 16 data to -- to change that.

03:55:49 17 The next slide.

03:55:50 18 Dr. Buehrer said he didn't have any reason to
03:55:54 19 dispute the speed.

03:55:56 20 And Mr. Wells said exactly the same thing.

03:55:58 21 And so when you look under the hood at the
03:56:00 22 benefits of these patents, nobody from Apple contradicted
03:56:06 23 that they, in fact, increased the speed over the old
03:56:11 24 form -- that is, if Apple couldn't use LTE, how much faster
03:56:15 25 it is. And it turns out they have absolutely no evidence

03:56:19 1 on that at all.

03:56:20 2 Well, what's the next thing we can look at as we
03:56:24 3 look under the hood? And that is licenses -- a licensing
03:56:29 4 expert.

03:56:29 5 We brought to you Mr. Kennedy. He's right out
03:56:32 6 here. I asked all the experts to stick around because I
03:56:36 7 wanted to point them out.

03:56:37 8 And, Mr. Kennedy, thank you.

03:56:39 9 Mr. Kennedy has negotiated 200 licenses.

03:56:45 10 And Mr. -- Dr. Perryman, the Apple expert, zero,
03:56:49 11 not one -- not the first one, and he had to admit it.

03:56:51 12 And the problem -- one of the problems with
03:56:54 13 Dr. Perryman's testimony was that he said: Oh, all the
03:56:57 14 patents are the same. And you heard Mr. Kennedy say that's
03:57:01 15 never appropriate. You never do it on a patent-by-patent
03:57:05 16 basis that they're all the same. You've got to look
03:57:09 17 individually about why these are important.

03:57:12 18 Well, what's the next thing we saw under the hood?
03:57:16 19 And that is a consumer survey.

03:57:17 20 Now, we know and you know from the testimony that
03:57:19 21 Apple does consumer surveys all the time. And they -- we
03:57:23 22 even know the name -- Professor John Hauser who does those
03:57:28 23 Apple surveys for them.

03:57:29 24 If they really thought the technology wasn't
03:57:32 25 important, they would have paraded Dr. Hauser or somebody

03:57:36 1 else up on that witness -- they said, oh, we talked to
03:57:40 2 consumers. They don't care about speed. They don't care
03:57:44 3 about reliability. They wouldn't have cared if we kept
03:57:47 4 that old technology. It would have been okay. We would
03:57:51 5 have been just fine. No survey expert from Apple.

03:57:55 6 What did you see? Well, you saw Dr. Reed-Arthurs,
03:57:58 7 who's also here.

03:57:59 8 Doctor?

03:58:00 9 And she told you that she surveyed 1,400 people
03:58:07 10 and talked to them about upload and download speeds, and we
03:58:13 11 know from all of her survey work that the customers of
03:58:17 12 Apple, the consumers of cell phones think that the amount
03:58:23 13 of value for that is \$8.97.

03:58:28 14 We can see the next slide.

03:58:29 15 Now, here's one of the more interesting things
03:58:36 16 that we saw in this case is that Dr. Perryman got on the
03:58:39 17 stand. And he's going to talk to you about damages, and I
03:58:41 18 want, when you get into the jury room and you have a chance
03:58:44 19 to look over Judge Gilstrap's charge, to check out Pages 21
03:58:49 20 and 22, because there you're going to find the
03:58:51 21 Georgia-Pacific factors that we talked about.

03:58:53 22 And you will remember that Mr. Kennedy went
03:58:55 23 through them one-by-one, explained what their importance
03:58:59 24 was, explained how he used it to get to a damage
03:59:03 25 calculations, and when we got to Dr. Perryman, here's what

03:59:06 1 he said.

03:59:07 2 Did you in your direct testimony, did you admit
03:59:09 3 that you did not perform a Georgia-Pacific analysis?

03:59:12 4 And he said: I didn't perform it.

03:59:15 5 Judge Gilstrap has told you in the charge that you
03:59:20 6 are to use the factors that Mr. Kennedy talked to you about
03:59:27 7 that Dr. Perryman didn't breathe a word about, and his
03:59:31 8 testimony is -- is of exactly zero use to you under the
03:59:36 9 analysis that Judge Gilstrap has told you in the charge you
03:59:39 10 need to perform in order to get to damages.

03:59:41 11 Let's look at the next slide.

03:59:44 12 We also heard from Mr. Kennedy that it's been
03:59:48 13 Apple's strategy to delay payments, reduce payments, and
03:59:52 14 devalue patents. It's all part of their plan.

03:59:54 15 Next slide.

03:59:55 16 There also is the question of something called the
04:00:00 17 SSU, or the smallest salable unit.

04:00:04 18 We got Mr. Blevins to say every part of the iPhone
04:00:08 19 is involved in the use of the iPhone; the battery, the
04:00:13 20 display, whatever.

04:00:14 21 Next slide.

04:00:15 22 We also know from the licenses that there is not
REDACTED BY ORDER OF THE COURT

04:00:20 23

04:00:25 24

04:00:30 25 that they have, and you didn't see it in the charge. You

04:00:33 1 go back through it when you get in there and see if
04:00:36 2 Judge Gilstrap told you anything about that charge.

04:00:38 3 At the end of the day, the only evidence is these
04:00:42 4 patents are incredibly valuable, they're infringed, and
04:00:46 5 they're worth \$506 million.

04:00:51 6 Thank you, Your Honor.

04:00:52 7 THE COURT: All right. Defendants may now present
04:00:54 8 their closing argument.

04:00:56 9 MR. SHEASBY: Your Honor, we're going to split the
04:00:58 10 first --

04:00:59 11 THE COURT: Oh, you're going to split this time?
04:01:01 12 You're going to continue?

04:01:02 13 MR. SHEASBY: I'm going --

04:01:03 14 THE COURT: All right. Then please continue,
04:01:05 15 Mr. Sheasby.

04:01:06 16 MR. SHEASBY: Good late afternoon, ladies and
04:01:14 17 gentlemen of the jury. I want to thank you for your
04:01:17 18 patience today, last week. I hope you understand how
04:01:21 19 important this case is to PanOptis's business, how
04:01:25 20 incredibly important it is.

04:01:26 21 When I spoke to you earlier last week, I talked
04:01:30 22 about four questions you're going to have to answer:
04:01:35 23 Infringement, willful infringement, whether Apple carried
04:01:39 24 its heavy burden to show invalidity, and damages.

04:01:43 25 As to infringement, the standard is our burden,

04:01:47 1 but the burden is that if one pebble, just one pebble falls
04:01:53 2 on PanOptis's side as to infringement, which is slightly
04:01:56 3 stronger than Apple, we prevail on infringement.

04:02:03 4 And there's actually a reason for that, there's a
04:02:06 5 reason in our law and our Constitution, and that is because
04:02:09 6 property rights are sacred. If one pebble is in our favor,
04:02:14 7 we prevail.

04:02:14 8 The Judge's instructions, if you read them, will
04:02:23 9 make clear that when you analyze infringement, you must
04:02:26 10 look at the entire patent. You can look at examples in the
04:02:30 11 patent because those are examples of the invention.

04:02:32 12 And you saw Professors Mahon and Madisetti, who
04:02:36 13 stayed for the closing.

04:02:36 14 Professors, if you would stand.

04:02:39 15 How they carefully addressed every single claim
04:02:42 16 and every single element, element-by-element. At 5:30 at
04:02:46 17 night on Thursday or Wednesday, they didn't let you go
04:02:49 18 home. They wanted to show you each and every element.

04:02:52 19 The opening by Apple was interesting is because I
04:03:04 20 don't know if you heard this, but they told you that every
04:03:06 21 word of a claim must be present. That's something they
04:03:08 22 said. I wrote it down, and I heard it very carefully in
04:03:11 23 their opening.

04:03:12 24 That's actually not the law. Judge Gilstrap's
04:03:14 25 charge does make clear that each element must be present,

04:03:19 1 but not each word, because, of course, words can be
04:03:23 2 modified and changed; you can play word games. Apple gave
04:03:28 3 you an inaccurate representation of the law in opening.

04:03:31 4 You will also hear in the instructions about the
04:03:35 5 Doctrine of Equivalents. An element doesn't need to be
04:03:37 6 literally present. If its equivalent is present, there is
04:03:42 7 infringement.

04:03:45 8 Now, we presented two types of analysis of
04:03:48 9 infringement. The first type of analysis involves standard
04:03:55 10 essential patents.

04:03:55 11 And if I can have Slide 14.3, Mr. Huynh.

04:04:03 12 So --

04:04:03 13 14.3, Mr. Huynh.

04:04:06 14 So in Apple's opening they said, we're not going
04:04:11 15 to dispute at all whether we implement the LTE standard.
04:04:15 16 But the words were very studied. They were very careful.
04:04:19 17 When we asked their experts on the stand whether they
04:04:22 18 practice LTE, they said, oh, I don't know what you mean by
04:04:25 19 practice.

04:04:26 20 But the expert who was in Germany, who we heard
04:04:31 21 from on video, admitted that Apple practices the LTE
04:04:36 22 standard.

04:04:36 23 What's going on with these word games? Why are
04:04:40 24 these experts who have been retained by Apple collectively
04:04:43 25 24 times trying to deny that they practice the standard

04:04:47 1 when Mr. Rodermund, the only expert with 3GPP ETSI
04:04:54 2 experience, admitted just the opposite?

04:04:56 3 Let's go to Slide 14.25, Mr. Huynh.

04:05:04 4 The reason that Apple's experts ran from
04:05:11 5 Mr. Rodermund's testimony is because of Ms. Dwyer.

04:05:15 6 Ms. Dwyer, would you stand?

04:05:20 7 Ms. Dwyer carefully analyzed each patent and
04:05:23 8 determined that it was essential to the standard. Apple
04:05:25 9 practices the standard.

04:05:27 10 Ms. Dwyer, who was the only LTE -- LTE 3GPP
04:05:32 11 engineer who actually built the standards, who sat on the
04:05:36 12 committees, looked through the claim charts and analyzed
04:05:40 13 them as essential.

04:05:40 14 Now, Apple will say, oh, well, of course, we
04:05:44 15 practice the standard. But the parts of the standard these
04:05:48 16 patents cover we don't use.

04:05:49 17 Well, that doesn't make a lot of sense, and I know
04:05:52 18 it doesn't make sense because Mr. Blevins admitted under
04:05:55 19 oath that our patents are the necessary part to communicate
04:05:59 20 between the base station.

04:06:00 21 Ms. Dwyer admitted our patents are essential.
04:06:05 22 Mr. Blevins admitted that our patents are necessary to
04:06:07 23 communicate.

04:06:08 24 We also performed a source code analysis, and we
04:06:13 25 did field experiments to confirm infringement.

04:06:17 1 I'm going to walk you through each of the five
04:06:19 2 patents, and what's interesting is after the careful
04:06:21 3 analysis of Professors Mahon and Madisetti, there's only a
04:06:26 4 few limitations that Apple tried to dispute.

04:06:29 5 So for the '774 patent, Apple said, the big issue
04:06:34 6 is whether Apple products receive a processing parameter.
04:06:37 7 That's what they said about the '774 patent.

04:06:39 8 Here's the claim limitation. Receiving a
04:06:43 9 processing parameter that includes a gain. That's what's
04:06:46 10 in dispute, the sole issue in dispute.

04:06:48 11 Dr. Mahon -- Professor Mahon showed you how this
04:06:54 12 is the code, a 0 or 1, that is sent from the base station
04:06:59 13 to the mobile device. And he said that code reflects gain
04:07:02 14 information, that one-half is a gain. He said that. He
04:07:06 15 gave you that careful analysis.

04:07:08 16 Something important happened on cross-examination
04:07:10 17 of Dr. Wells, Apple's expert.

04:07:15 18 He admitted it, as well. He admits that the
04:07:20 19 message that is sent down to the mobile phone includes the
04:07:22 20 gain, one-half. After all that argument, after all that
04:07:26 21 presentation that he gave, so smooth, on cross-examination,
04:07:31 22 he couldn't -- he was forced to admit that a message is
04:07:35 23 sent that includes a gain.

04:07:36 24 The '332 patent is the next patent. In this case,
04:07:44 25 the only dispute, and I don't know if you heard this, the

04:07:46 1 only dispute was whether N/L, whether a division can be
04:07:51 2 performed using something called a shift. That was the
04:07:54 3 only question, whether the division could be formed by
04:07:58 4 something called a shift.

04:08:00 5 And what was interesting is Dr. Lanning, so
04:08:04 6 smooth, went through pages and pages of testimony telling
04:08:07 7 you how different a division and a shift is, how Apple does
04:08:12 8 a shift, and how totally different that is from division.

04:08:16 9 And though it was late in the day, on
04:08:18 10 cross-examination, he accepted just the opposite. He
04:08:23 11 admitted that a shift is a divide. They spent 45 minutes
04:08:28 12 trying to convince you that the patent wasn't infringed
04:08:32 13 because a division and a shift are different. In the first
04:08:37 14 15 minutes of his cross-examination, he admitted the exact
04:08:41 15 opposite under oath.

04:08:42 16 The next patent we considered was the '833 patent.
04:08:50 17 The main dispute in the '833 patent is whether you go
04:08:54 18 column-by-column and then row-by-row in preparing your
04:08:58 19 mapping. That's what Apple said was the key dispute.

04:09:01 20 But we actually showed you the source code, and
04:09:07 21 the source code makes clear that the patent -- that the
04:09:12 22 systems do exactly what the claim says.

04:09:14 23 First, they map within a column-by-column, and
04:09:16 24 they do it row-by-row. Column-by-column, row-by-row.
04:09:23 25 Exactly what the patent requires. The source code does not

04:09:26 1 lie.

04:09:30 2 The '284 patent. The '284 patent is a fascinating
04:09:36 3 patent. The reason why it's so fascinating is because do
04:09:42 4 you remember the history? Do you remember how Professor
04:09:46 5 Mahon talked to you about how it was actually presented to
04:09:50 6 the industry and how the industry looked at it and how
04:09:53 7 closely the final table that they adopted matched what was
04:09:57 8 presented to the industry?

04:09:58 9 And the patent requires a first subset, and then
04:10:01 10 it requires a second subset. And that second subset is
04:10:06 11 reserved for redundancy version. There's no dispute that
04:10:10 12 Apple implements this table.

04:10:12 13 In fact, if you remember, Professor actually
04:10:15 14 showed you in the code where they reference this table.
04:10:17 15 And so the only dispute is, is there a second subset that
04:10:21 16 is smaller than the first subset that is reserved? And
04:10:24 17 they're trying to tell you -- they spent 30 minutes trying
04:10:29 18 to tell you from Dr. Buehrer, well, there's not a second
04:10:32 19 subset that's reserved.

04:10:33 20 Look at the table itself. It says reserved in the
04:10:37 21 bottom three rows. And what's changing those bottom three
04:10:40 22 rows? The redundancy version.

04:10:43 23 They brought a professor from Virginia Tech,
04:10:48 24 smooth, talked to you for a long time, trying to convince
04:10:51 25 you that there is a second subset that is larger than the

04:10:54 1 first subset, where if you look at the face of that table,
04:10:57 2 it says the bottom three are reserved. They're reserved
04:11:00 3 for when the redundancy version changes. Exactly, exactly,
04:11:04 4 exactly what the claim requires.

04:11:06 5 I'm now going to speak about the '557 patent. The
04:11:11 6 '557 patent requires a selecting unit in which sequences
04:11:14 7 are generated via that selecting unit.

04:11:19 8 Professor Madisetti talked to you about this at
04:11:24 9 great length. He talked to you about the fact that when
04:11:26 10 you think about how to generate a sequence, the patent
04:11:30 11 actually teaches two ways of doing it. And the second way
04:11:35 12 of doing it is to generate a code sequence every selection.
04:11:37 13 Every time you want a code sequence, you generate it. He
04:11:40 14 spoke about that as an embodiment which teaches how to
04:11:43 15 understand the claim.

04:11:44 16 And if you remember, I showed you Judge Gilstrap's
04:11:47 17 jury instructions where Judge Gilstrap says the same thing.
04:11:51 18 You use the specification to understand the scope of the
04:11:56 19 claims.

04:11:56 20 Generate a code, and from that you -- you -- you
04:12:03 21 select a plurality of signatures. Exactly what the claim
04:12:09 22 requires.

04:12:09 23 Once again, we had this big debate in which
04:12:13 24 Apple's expert spent all this time in the world, well, we
04:12:16 25 just don't -- we don't -- we don't infringe the claim. But

04:12:20 1 you heard he ignored this second embodiment, which
04:12:23 2 Judge Gilstrap said must be used to understand the scope of
04:12:25 3 the claims.

04:12:26 4 And when we spoke to the engineer of Apple, Apple
04:12:31 5 admitted that they generate a sequence.

04:12:35 6 These were the only material disputes. Our
04:12:38 7 experts went through limitation-by-limitation, and you'll
04:12:41 8 see that their defenses to these limitation-by-limitation
04:12:47 9 analysis was word games. I don't know what you mean by
04:12:50 10 practice.

04:12:51 11 Reserved. Well, what do you mean by reserved?
04:12:55 12 This case is not about word games. This case is about
04:12:59 13 fundamental technology that helped to create the 4G/LTE
04:13:02 14 network.

04:13:02 15 The second issue you are going to be asked to
04:13:07 16 decide is willfulness.

04:13:11 17 You can believe that it was just a complete
04:13:15 18 coincidence that Apple infringes five of these patents.
04:13:19 19 It's just happenstance that they do it. It doesn't matter.
04:13:22 20 They still must pay us full damages.

04:13:27 21 But there is a second question. And the question
04:13:30 22 is: Was Apple's conduct willful?

04:13:32 23 I believe the evidence shows that it was.

04:13:40 24 PanOptis sent a letter in 2017 making it clear
04:13:45 25 that we had 4G patents that were essential. Apple's

04:13:49 1 internal lawyer, who testified by deposition, said that
04:13:53 2 there was no independent investigation done by Apple in
04:13:56 3 response. She said that under oath. And when we asked her
04:13:59 4 why, she said: I wouldn't want to speculate.

04:14:02 5 You can draw an inference as to why Apple didn't
04:14:05 6 present and why -- why Ms. Mewes answered the question the
04:14:10 7 way she did.

04:14:11 8 THE COURT: 23 minutes remaining.

04:14:14 9 MR. SHEASBY: We heard from two engineers,
04:14:18 10 Mr. Ramaprasad and Dr. Josiam. But neither of them are
04:14:21 11 experts on infringement. They are not experts, and they
04:14:24 12 admitted under oath they did not give an infringement or
04:14:28 13 validity opinion.

04:14:35 14 We heard that Apple had accessed our patents in
04:14:37 15 2018. And then we heard something that Apple asked
04:14:43 16 Mr. Blevins to say on his redirect examination after I
04:14:46 17 crossed him.

04:14:47 18 Mr. Blevins said: Well, I was asked by my boss,
04:14:50 19 Jeff Williams, to conduct an investigation.

04:14:53 20 But when we cross-examined him, he said he was
04:14:55 21 only given the patents a couple weeks before his
04:14:58 22 deposition. So Apple is saying we did this whole
04:15:05 23 independent investigation, some lawyers handed him these
04:15:10 24 patents a couple of weeks before his deposition. They knew
04:15:12 25 about them since 2018.

04:15:12 1 The final issue, invalidity. Clear and convincing
04:15:14 2 evidence. There is a presumption of validity of these
04:15:17 3 patents. And I will submit to you that Apple has not met
04:15:21 4 its burden.

04:15:21 5 Let me give you an example. Mr. -- Dr. Buehrer
04:15:28 6 talked about how one of the patents required joint
04:15:31 7 encoding. He couldn't even find a reference that had joint
04:15:33 8 encoding in it.

04:15:35 9 The reality is, is that Apple has not presented
04:15:38 10 any substantial evidence to meet its heavy burden of clear
04:15:47 11 clear and convincing evidence.

04:15:48 12 Thank you, ladies and gentlemen.

04:15:50 13 THE COURT: Does that complete Plaintiffs' first
04:15:52 14 closing argument?

04:15:53 15 MR. SHEASBY: Yes, Your Honor.

04:15:54 16 THE COURT: All right. Defendant may now present
04:15:56 17 its closing argument to the jury.

04:16:00 18 Would you like a warning on your time,
04:16:03 19 Mr. Mueller?

04:16:03 20 MR. MUELLER: Yes, Your Honor. May I please have
04:16:08 21 6 minutes and 3 minutes?

04:16:09 22 THE COURT: 6 minutes remaining and 3 minutes
04:16:12 23 remaining, you may.

04:16:14 24 MR. MUELLER: May I proceed, Your Honor?

04:16:20 25 THE COURT: You may proceed with your closing

04:16:22 1 argument.

04:16:22 2 MR. MUELLER: Thank you, Your Honor.

04:16:22 3 Good afternoon, ladies and gentlemen. Again, my
04:16:25 4 name is Joe Mueller, and this is my last chance to speak
04:16:29 5 with you. And I just want to start by saying thank you for
04:16:32 6 the time you've put in over the last week.

04:16:34 7 As I said in my opening statement, it's a real
04:16:37 8 privilege to be able to try a case to a jury of fair-minded
04:16:41 9 fellow citizens. And it's a particular privilege to
04:16:45 10 present a case to fair-minded folks who have paid such
04:16:49 11 close attention, as you clearly did. We're grateful.

04:16:51 12 Now, what we tried to do over the last week was to
04:16:54 13 focus on the facts. We tried to focus on the evidence and
04:16:58 14 not sling mud or throw rocks but focus on the facts the
04:17:03 15 whole way through. And we did it for two reasons.

04:17:07 16 First, it's just the right thing to do.

04:17:09 17 And the second thing is, the facts in this case we
04:17:13 18 believe firmly support Apple's positions. And we wanted
04:17:15 19 you to see those facts to see the evidence and to see the
04:17:18 20 truth.

04:17:19 21 And so for my remaining time with you today, I'm
04:17:22 22 going to review those facts and review those evident --
04:17:26 23 review the evidence one last time.

04:17:28 24 And I want to start with a statement that was made
04:17:31 25 in the opening by Plaintiffs' counsel, and the allegation

04:17:36 1 was made that you would see a document suggesting a plan to
04:17:41 2 destroy our business.

04:17:44 3 Well, you've now seen the document. Here it is.
04:17:47 4 And as His Honor told you in the jury instructions, the
04:17:50 5 redacted material has nothing to do with this case. But
04:17:52 6 you know what this says. What this says is a set of
04:17:56 7 licensing principles for dealing with patents in the area
04:17:59 8 of cellular technology. It doesn't say destroy anyone's
04:18:03 9 business. There's nothing remotely scandalous about this
04:18:06 10 document.

04:18:07 11 Now, I actually examined Mr. Kennedy, one of
04:18:10 12 Plaintiffs' damages experts, about this. And he said he
04:18:13 13 disagreed with portions of it, but he acknowledged that
04:18:16 14 portions were quite sensible.

04:18:17 15 And here I was asking him about the line referring
04:18:22 16 to quality over declaration and royalty stacking. I said:
04:18:28 17 There's nothing troubling about any of that, is there, sir?
04:18:31 18 And he said: No.

04:18:32 19 Now, it's a document dated from February 2014.
04:18:35 20 And the reason why that's significant is it was three years
04:18:40 21 before the Plaintiffs had actually reached out to Apple by
04:18:43 22 way of letter.

04:18:43 23 So the notion that this document shows some plot
04:18:46 24 to destroy the Plaintiffs' business is contradicted by the
04:18:49 25 date on the document. It's about three years before the

04:18:51 1 Plaintiffs reached out to Apple.

04:18:54 2 And there's another reason why this allegation,
04:18:58 3 trying to destroy their business doesn't make any sense,
04:19:01 4 and it's this: What is their business? What is their
04:19:06 5 business? Who actually goes to work at these five
04:19:09 6 companies each day? What do they do when they get there?
04:19:16 7 How do these five companies relate to each other? And why
04:19:20 8 are there five companies instead of one? Who stands to
04:19:26 9 benefit from this lawsuit? And why don't we know the
04:19:29 10 answers to these questions one week into this trial?

04:19:32 11 Now, the one thing we do know is that the one and
04:19:36 12 only one fact witness the Plaintiffs presented is
04:19:41 13 Mr. Blasius right here. They did also present the front
04:19:44 14 row here, those -- those experts.

04:19:45 15 But the one fact witness -- the one fact witness
04:19:48 16 they presented was Mr. Blasius, the one fact witness who
04:19:54 17 actually took the stand. And he had not read the patents
04:19:59 18 even as of the day he testified. He had not read the five
04:20:04 19 patents.

04:20:04 20 Now, he also hadn't spoken to any of the
04:20:09 21 inventors. He hadn't read the LTE standard. He hadn't
04:20:13 22 done any of that, and yet that was the one fact witness
04:20:17 23 they called.

04:20:17 24 Now, he told us a bit about these five companies.
04:20:22 25 He told us that four of them operate out of the same office

04:20:26 1 suite. None of them produce any actual products. None of
04:20:29 2 them are members of ETSI. None of them made technical
04:20:34 3 proposals to ETSI. None of them do that.

04:20:37 4 And as Mr. Kennedy acknowledged, there's no
04:20:46 5 evidence to suggest that any of the named inventors on
04:20:48 6 these patents would receive any compensation from this
04:20:51 7 case. You've seen not a single document that suggests the
04:20:53 8 inventors who came up with these five patents stand to
04:20:56 9 benefit from this case.

04:20:57 10 Now, you heard just now in the opening statements
04:21:05 11 from the Plaintiffs, again, some suggestions about Apple
04:21:08 12 not only infringing but doing so willfully. Let's be very,
04:21:13 13 very clear. There's no infringement, there never was, and
04:21:15 14 I'm going to review all the reasons why.

04:21:17 15 But I want to talk a little bit about how Apple
04:21:19 16 got into the LTE industry. Apple got into the LTE product
04:21:23 17 industry by reaching agreements with folks who supply
04:21:27 18 chips, the cellular chips that go into cellular devices.
04:21:30 19 Qualcomm and Intel, both companies headquartered in
04:21:34 20 California, both companies that have participated in ETSI
04:21:36 21 meetings, both companies that hold thousands of patents, as
04:21:41 22 you've heard. Qualcomm has 140,000 patents. Intel had
04:21:45 23 thousands of patents.

04:21:46 24 These folks supply chips to companies who make
04:21:49 25 cellular devices, and Apple bought those chips -- bought

04:21:52 1 those chips and created products that support cellular
04:21:56 2 functionality. And there's no dispute that the Apple
04:21:59 3 products work on an LTE network. They absolutely do.

04:22:03 4 The notion that that's a fight in this case is a
04:22:06 5 red herring. They work on an LTE network.

04:22:09 6 There's no allegation in this case that Qualcomm
04:22:12 7 and Intel engineers copied these five patents. As
04:22:15 8 Dr. Mahon said, I am not saying that, no. And no one else
04:22:19 9 did either. There's not a shred of evidence that Qualcomm
04:22:21 10 or Intel copied, studied, took anything from these five
04:22:25 11 patents.

04:22:26 12 And here's Mr. Blasius. He noted that over the
04:22:30 13 years -- when I asked him: Over the years, Apple has used
04:22:35 14 Qualcomm and Intel as suppliers of baseband chips?

04:22:38 15 Yes.

04:22:39 16 Have your five companies ever contacted Qualcomm
04:22:41 17 or Intel?

04:22:42 18 No.

04:22:43 19 Not once?

04:22:44 20 No.

04:22:44 21 Not once about these five patents?

04:22:47 22 No.

04:22:47 23 So the folks who actually make the chips at issue
04:22:51 24 in this case, the Plaintiffs never contacted them to raise
04:22:54 25 these five patents. And for good reason, the chips don't

04:22:57 1 use those five patents.

04:22:58 2 Dr. Buehrer, I asked him: Have you ever seen any
04:23:02 3 evidence that Samsung, Panasonic, or LG, the original
04:23:05 4 owners, ever contacted Apple about the patents in this
04:23:08 5 case?

04:23:08 6 No, I have not.

04:23:09 7 And you haven't either. There's not a shred of
04:23:14 8 evidence that the original owners of these patents,
04:23:17 9 Samsung, Panasonic, LG, ever contacted Apple about any one
04:23:20 10 of the five.

04:23:21 11 The first contact was in January 6th, 2017.
04:23:27 12 That's the letter you've seen.

04:23:29 13 Now, it doesn't actually mention any of the five
04:23:31 14 patents by number. It's a general invitation to talk. But
04:23:35 15 that's the first outreach by the five companies in this
04:23:39 16 case.

04:23:39 17 And Blevins told you that Apple responded. And,
04:23:42 18 of course, they didn't reach any sort of agreement because
04:23:44 19 Apple didn't want to take a license. And that's why we're
04:23:48 20 here.

04:23:48 21 And Apple's reason for doing so was given to you
04:23:51 22 by Mr. Blevins, the vice president of procurement who has
04:23:56 23 been here every day of this trial.

04:23:57 24 He said: Our feeling is that we've essentially
04:24:02 25 been accused of being cheaters, that we feel like our good

04:24:06 1 name has been tarnished, and we're here to set the record
04:24:08 2 straight. Our position is that we do not infringe any of
04:24:11 3 these patents.

04:24:12 4 And there's no need to take a license to patents
04:24:15 5 that you don't use.

04:24:17 6 So let's go through the evidence that shows that
04:24:19 7 Apple is not using these five patents. And to orient
04:24:23 8 ourselves, I want to put on the board here the witnesses
04:24:26 9 and help show you how they fit into the case.

04:24:32 10 So for the '284 patent, we have Mr. Blevins,
04:24:45 11 Ms. Mewes, Dr. Josiam, and Dr. Buehrer. And let me explain
04:24:56 12 a little bit about why I put the folks where I put them.

04:24:59 13 Every one of the people I have just put on this
04:25:01 14 board either helped to create the chips at issue in this
04:25:04 15 case -- that would be Dr. Josiam and Mr. Ramaprasad, who
04:25:08 16 took the stand and testified to you -- or investigated how
04:25:11 17 those chips work.

04:25:13 18 Mr. Blevins, here he described all the work that
04:25:16 19 he did to investigate how the chips worked. He talked to
04:25:19 20 Apple's head of software engineering, interviewed
04:25:22 21 engineers, spoke to independent experts.

04:25:24 22 Ms. Mewes, she, in deposition testimony that you
04:25:28 23 heard, described how she talked to three of their engineers
04:25:31 24 who came from Intel, and they explained why they didn't --
04:25:34 25 we didn't practice the patents.

04:25:35 1 And, of course, the experts, Dr. Buehrer,
04:25:39 2 Mr. Lanning, and Dr. Wells, also investigated how the chips
04:25:44 3 worked.

04:25:45 4 So that's what we put on, evidence from folks,
04:25:48 5 testimony from folks who either created the chips, created
04:25:51 6 the chips in the case of Mr. Ramaprasad or Dr. Josiam or
04:25:56 7 investigated how those chips worked.

04:25:58 8 Now, for the Plaintiffs' side of the case, they
04:26:03 9 presented Dr. Madisetti and Dr. Mahon. Each of them did
04:26:23 10 investigate how the chips worked. We have a disagreement
04:26:26 11 with them about their analysis, but they did look into the
04:26:28 12 chips.

04:26:30 13 However, Ms. Dwyer did not. She did not look at a
04:26:33 14 single chip. She offered an opinion on essentiality, but
04:26:37 15 that's not the issue in this case. The issue is, do the
04:26:41 16 Intel and Qualcomm chips use the five patents?

04:26:45 17 Ms. Dwyer could have looked at chips but didn't,
04:26:52 18 not one, not a single line of source code, not a single
04:26:56 19 chip in the case. She never looked at a one. So her
04:27:01 20 opinions have utterly nothing to do about with whether the
04:27:06 21 chips in the case actually use these five patents.

04:27:09 22 Now, finally, we have Mr. Blasius. Now, he
04:27:11 23 couldn't look at the chips. They're confidential.
04:27:14 24 Ms. Dwyer could, but he couldn't. But he could certainly
04:27:16 25 look at the patents, and he didn't do that either.

04:27:19 1 So the witnesses they offered you are right here.
04:27:22 2 The only folks who both looked at the patents and looked at
04:27:25 3 the chips are Dr. Madisetti and Dr. Mahon.

04:27:27 4 Now, let's talk about the evidence that we
04:27:35 5 presented, and I want to put a special spotlight on
04:27:39 6 Dr. Josiam and Mr. Ramaprasad. They're the folks who
04:27:42 7 actually helped to create the chips, they wrote the source
04:27:44 8 code on those chips.

04:27:45 9 Now, you've heard over the course of this trial a
04:27:47 10 bit of a dispute as to whether our experts, Dr. Buehrer,
04:27:51 11 Dr. Wells, Mr. Lanning, properly reviewed the source code.
04:27:54 12 And I want to say two things about that.

04:27:56 13 First, the Plaintiffs had retained an expert named
04:27:59 14 Mr. Jones to analyze the source code, and you heard some
04:28:01 15 references to him over the course of the trial.

04:28:06 16 He, as you heard from Dr. Wells, agreed with our
04:28:09 17 experts on how the code worked. As Dr. Wells said,
04:28:16 18 Mr. Jones agreed with him, agreed with him.

04:28:18 19 But more than that, and this is the second point,
04:28:21 20 who could better explain how the code works than the folks
04:28:26 21 who wrote it? That's why we brought them to trial so you
04:28:31 22 could hear firsthand from the folks that wrote the code and
04:28:33 23 created the chips about how it works.

04:28:34 24 And Dr. Josiam and Mr. Ramaprasad were not
04:28:38 25 cross-examined on the precise details of the source code by

04:28:42 1 the Plaintiffs. If they had quibbles with how they were
04:28:46 2 explaining the code, they should have asked them. They
04:28:49 3 should have asked them.

04:28:50 4 We brought you the folks who had the first-hand
04:28:57 5 knowledge of how that code works, and they explained it to
04:29:01 6 you step-by-step.

04:29:04 7 So what did they tell you and how does it fit into
04:29:04 8 this case? Well, the key legal issue is the claims, not
04:29:06 9 the rest of these patents. We certainly want to look at
04:29:08 10 the rest of these patents. But the claims mark out the
04:29:11 11 fence line, mark out the boundaries that are important.

04:29:14 12 This is what His Honor told you. The claims
04:29:17 13 define the patent owner's rights under the law. The claims
04:29:21 14 are important, because it is the words of the claims
04:29:24 15 themselves that define what the patent covers. His Honor
04:29:27 16 told you that in the jury instructions he provided to you.

04:29:30 17 And Dr. Madisetti recognized that. He said only
04:29:34 18 the claims matter because claims are what describe and
04:29:37 19 limit the invention.

04:29:39 20 So let's go through it piece-by-piece.

04:29:41 21 '332 patent, here's the claim. And the claim
04:29:46 22 language that's most significant for the issues you need to
04:29:48 23 decide is highlighted.

04:29:49 24 A modulo C operation wherein 'C' is defined as
04:29:57 25 $\text{floor}(N/L)$. It's a mathematical equation. It's a

04:30:02 1 requirement. To infringe this claim, you need to infringe
04:30:06 2 that requirement.

04:30:07 3 So the question is, do the chips have it? And the
04:30:10 4 answer is they don't.

04:30:12 5 Mr. Ramaprasad came up with a better, simpler, and
04:30:16 6 more efficient approach. What he did is use a shift
04:30:22 7 function, and this shift function takes one step to do what
04:30:27 8 the equation in the '332 patent requires many steps. The
04:30:31 9 equation in the '332 patent is actually an old equation.

04:30:34 10 And you don't need to take it from me. You can
04:30:36 11 take it from the inventor, Dae Won Lee. This is the email
04:30:39 12 that you've seen in this case where he wrote to the
04:30:45 13 European Telecommunications Standards Institute. And he
04:30:48 14 said: I guess what we are proposing is nothing new really.
04:30:51 15 What we are proposing to use what is well-known equation.

04:30:55 16 Remember when Mr. Summersgill held up that
04:30:58 17 textbook from the 1980s during his examination of
04:31:03 18 Mr. Lanning. It had that equation in it. It's an old
04:31:03 19 equation, and it didn't work as well as the new approach
04:31:03 20 that Mr. Ramaprasad came up with.

04:31:06 21 Now, Dr. Madisetti said, well, Dr. Lee was just
04:31:12 22 being modest, but it turned out he never asked him what he
04:31:16 23 meant. He never called him or emailed him to find out what
04:31:20 24 Dr. Lee meant by that email. And the truth is he wasn't
04:31:23 25 being modest. He was being honest when he said it's

04:31:23 1 nothing new really.

04:31:27 2 Mr. Ramaprasad described the advantages of his
04:31:30 3 approach. A shift calculation does something in one step
04:31:34 4 compared to any other operation, which could take multiples
04:31:37 5 or tens of steps.

04:31:38 6 And you saw in this demonstrative how that works.
04:31:41 7 The shift does one step to arrive at the answer. Meanwhile
04:31:46 8 floor(N/L) is still going, it takes 11 steps.

04:31:49 9 Now, the reason why that's important is because in
04:31:56 10 computer chips you want to do things as efficiently as you
04:31:59 11 possibly can. And when you have an equation that does it
04:32:01 12 in one step, that's different and that's better. And
04:32:05 13 Dr. Madisetti, when he was cross-examined by
04:32:08 14 Mr. Summersgill, Mr. Summersgill asked: We can agree that
04:32:11 15 code that is faster and requires fewer steps, even if it
04:32:14 16 gets the same answer, is better than code that's slower and
04:32:18 17 requires more steps?

04:32:19 18 Dr. Madisetti couldn't provide an answer, he
04:32:22 19 couldn't provide a yes-or-no answer. And the truth is he
04:32:25 20 couldn't provide any good answer. It's obvious that a
04:32:26 21 faster, more efficient approach is better, and that's what
04:32:29 22 Mr. Ramaprasad came up with. It's different and better
04:32:32 23 than the '332 patent.

04:32:33 24 Let's go to the '833. And, again, we start as we
04:32:36 25 must with the claim language. Here, the claim language

04:32:40 1 talks about multiplexed signals that are mapped from the
04:32:44 2 first column of the first row to the last column of the
04:32:48 3 first row, the first column of the second row to the last
04:32:53 4 column of the second row, and so on.

04:32:54 5 Well, you know what that means. It's describing a
04:32:57 6 mapping process where you move from left to right across
04:32:59 7 the row, left to right across the second row, and so on.

04:33:03 8 Dr. Josiam explained that the chips that he helped
04:33:07 9 create do it different. They do a column-by-column method
04:33:10 10 where you map from the top to the bottom of a column.

04:33:14 11 Here's the difference. On the left, you have the
04:33:16 12 patent, you're mapping from left to right, row-by-row.
04:33:21 13 Now, it's true you go through columns on your way across
04:33:24 14 the row, but you're still going across the row left to
04:33:28 15 right.

04:33:28 16 It's like when you go to a movie theater, and you
04:33:31 17 go into your row, you're not going down a column, you're
04:33:36 18 going across a row. That's exactly the same thing here.
04:33:36 19 You're moving from left to right across the row, left to
04:33:40 20 right across the row.

04:33:40 21 Now, those Post-it notes actually came from
04:33:44 22 Mr. Pollinger, one of the Plaintiffs' attorneys, when he
04:33:46 23 was redirecting Dr. Madisetti. And I think they were
04:33:48 24 trying to show something about the left-hand side of this
04:33:50 25 diagram.

04:33:51 1 But here's the thing, the left-hand side of the
04:33:54 2 diagram is the patent. The right-hand side are the shifts
04:34:00 3 at issue in this case, top to bottom, down the column.
04:34:03 4 They didn't even touch the right-hand side because it's
04:34:06 5 different. That's a very different approach.

04:34:08 6 And you can see the benefits. This is the bus
04:34:15 7 analogy. In the patent approach where you work across the
04:34:19 8 rows, it takes longer to fill up each of the buses.

04:34:22 9 In the Intel and Qualcomm approach where they work
04:34:25 10 down the column from top to bottom, once that bus is full,
04:34:29 11 it goes. It doesn't have to wait for the others to get
04:34:32 12 filled up, as well. It's a faster and more efficient
04:34:35 13 approach, and it's fundamentally different than the
04:34:38 14 row-by-row approach of the '833 patent.

04:34:39 15 Now, Dr. Madisetti was a bit all over the place on
04:34:42 16 this. In his expert report before trial, he distinguished
04:34:45 17 between mapping signals row-by-row and mapping signals
04:34:49 18 column-by-column. He admitted that, although he tried to
04:34:51 19 say he was using Dr. Wells, but it was his report. And
04:34:55 20 then at trial, when asked to concede that row-by-row
04:34:58 21 mapping is different from column-by-column, he said, I
04:35:02 22 disagree.

04:35:03 23 Well, it is, it's a fundamentally different
04:35:06 24 approach.

04:35:06 25 The one on the right, top to bottom is more

04:35:09 1 efficient and fundamentally a faster way to do it than the
04:35:15 2 one on the left.

04:35:17 3 So let's move to the '557. And, again, we start
04:35:20 4 as we must with the claim language. The claim language
04:35:22 5 that's most critical from this patent is selecting a
04:35:26 6 sequence from a plurality, which means more than one, of
04:35:29 7 sequences contained in one group of a plurality of groups
04:35:33 8 into which a pre-determined number of sequences that are
04:35:35 9 generated from a plurality of base sequences. So we're
04:35:39 10 talking about generating sequences and a plurality of
04:35:44 11 sequences.

04:35:45 12 And the same language or similar language appears
04:35:48 13 in the other asserted claim, Claim 10.

04:35:51 14 Now, Dr. Josiam explained how the chips work. The
04:35:55 15 chips generate one sequence, just one, at the time they
04:35:59 16 need it, as opposed to a plurality of sequences.
04:36:06 17 Generating just one when you need it is a better approach
04:36:08 18 because you're not occupying more space from having
04:36:09 19 multiple sequences. You only have one, you use it when you
04:36:12 20 need it.

04:36:12 21 Now, Dr. Madisetti conceded that he had not shown
04:36:15 22 you, the ladies and gentlemen of the jury, the hardware
04:36:20 23 source code for sequence generation. He didn't show you
04:36:23 24 the code that's relevant in this portion of the chips for
04:36:26 25 generating these sequences.

04:36:28 1 Now, Mr. Lanning was asked if that matters, and he
04:36:31 2 said, it sure matters to me, and it would matter to anyone
04:36:34 3 else that truly wanted to understand the way the baseband
04:36:39 4 chips operate.

04:36:40 5 Again, if you don't review the hardware, you don't
04:36:41 6 know of -- anything about this specialized hardware
04:36:45 7 sequence generator.

04:36:46 8 Now, on cross-examination when Mr. Summersgill was
04:36:50 9 questioning Dr. Madisetti about this patent, at one point,
04:36:54 10 Mr. Summersgill said: So we can agree that the claim
04:36:56 11 requires, quote, sequences that are generated from a
04:37:00 12 plurality of base sequences, right?

04:37:00 13 Now, Mr. Summersgill was literally just reading
04:37:03 14 the claim language, reading it. And he said, we can at
04:37:07 15 least agree on what the words say.

04:37:10 16 Dr. Madisetti said: I disagree. I disagree.

04:37:13 17 Now, eventually he conceded the English language
04:37:18 18 is present in that limitation. But that's not just the
04:37:21 19 English language, that's the requirement. We are bound by
04:37:24 20 what the claims say. Those set the property line for the
04:37:27 21 patents. We have to go with what the claims say. And you
04:37:30 22 can't disagree with what they say to try to create an
04:37:33 23 infringement theory.

04:37:34 24 Now, Dr. Madisetti also said one other thing over
04:37:37 25 the course of his testimony about this patent. He actually

04:37:39 1 said: Increasing and decreasing mean the same thing.

04:37:42 2 Now, of course, they don't. They don't. They
04:37:45 3 mean the opposite. But it's another example of how far he
04:37:48 4 had to stretch to come up with an infringement theory for
04:37:51 5 this patent. It just doesn't hold together. One sequence
04:37:54 6 is not the same as a plurality of sequences.

04:37:57 7 Let's go to the '774. Now, again, we start with
04:38:00 8 the claim language. This is a method claim, and it
04:38:03 9 requires receiving a processing parameter, and here the
04:38:10 10 receiving is being done by a mobile device. It's receiving
04:38:13 11 it from a base station, one of those big antennas. So the
04:38:15 12 mobile device has to receive the processing parameter as
04:38:18 13 part of a method, which means a process for doing it.

04:38:21 14 So the question is: Do they do it, the Apple
04:38:26 15 products and the Intel and Qualcomm chips inside those
04:38:29 16 products?

04:38:29 17 And Dr. Wells explained they don't. The Apple
04:38:33 18 products actually work as they go through a five-step
04:38:36 19 procedure to compute the processing parameter. They build
04:38:39 20 it. They construct the processing parameter themselves at
04:38:41 21 the device instead of receiving it from the base station.
04:38:42 22 It's a very different way of doing it.

04:38:44 23 You can either receive it from somebody else
04:38:46 24 creating it for you, or you can construct it yourself, and
04:38:51 25 the way the Apple devices work and the chips in those

04:38:55 1 devices work is they construct it themselves.

04:38:58 2 Now, as he explained in the other steps inside
04:38:58 3 those chips, Steps 1, 2, 3, and 4, there's no processing
04:39:02 4 parameter. It's not until the end.

04:39:05 5 Now, why is that meaningful? Well, it's
04:39:09 6 meaningful because within those five steps, the Apple
04:39:13 7 products are receiving different ingredients of information
04:39:16 8 which they use to construct the processing parameter.

04:39:18 9 And as Dr. Wells explained using the Legos
04:39:21 10 analogy, you can take that information and build or
04:39:23 11 construct the processing parameter. It might be, by
04:39:28 12 analogy, this house here or something else, a tree, a
04:39:33 13 horse.

04:39:34 14 This is an illustration of different types of
04:39:39 15 functionality you can build with the same information, and
04:39:39 16 that's the benefit of doing it yourself, instead of
04:39:42 17 receiving it from someone else.

04:39:43 18 If you receive it from someone else, you just have
04:39:45 19 the processing parameter. If you build it using different
04:39:48 20 ingredients, you can take those same ingredients, like you
04:39:51 21 take Lego blocks, and turn them into something else.

04:39:54 22 That's how the Apple products work. It's a more
04:39:56 23 flexible approach than the patent claims.

04:39:58 24 Now, Dr. Mahon, at the end of the day on Friday, I
04:40:01 25 asked him: Does receiving mean the same thing as

04:40:04 1 constructed?

04:40:05 2 Answer: Does receiving mean the same thing as
04:40:08 3 constructing? No.

04:40:10 4 And it doesn't. Of course, it doesn't. And
04:40:12 5 that's the end of the story for this patent. It's a
04:40:15 6 fundamentally different way of doing it. The Apple
04:40:18 7 products construct it, instead of receiving the processing
04:40:20 8 parameter.

04:40:20 9 And that takes us to the last patent, the '284.
04:40:24 10 And, again, we start as we must with the claims. The
04:40:26 11 claims require a first subset of values containing more
04:40:32 12 values than the second subset of values.

04:40:33 13 Now, let's be clear on what this means. The first
04:40:38 14 subset is reserved for indicating the transport format.
04:40:41 15 That's number one.

04:40:42 16 And the second subset is reserved for indicating
04:40:48 17 the redundancy version. Those are the two things.

04:40:53 18 The first subset is reserved for indicating the
04:40:57 19 transport format.

04:40:58 20 The second subset is reserved for the redundancy
04:41:00 21 version.

04:41:00 22 Now, if we go to -- and you see the same language
04:41:02 23 in Claim 14.

04:41:05 24 If we go to -- and Claim 27, which incorporates
04:41:09 25 Claim 14 by reference. It has all those requirements, as

04:41:12 1 well.

04:41:13 2 What is accused here is a table in the LTE
04:41:15 3 standard, and there's no dispute that the chips -- the
04:41:18 4 Qualcomm and Intel chips use that table.

04:41:21 5 So the question is, do they contain a first subset
04:41:23 6 and a second subset of values? And most importantly, is
04:41:28 7 the first subset bigger than the second subset, because
04:41:31 8 that's what the patents require? And the answer is, no.

04:41:39 9 If you look at this, the first subset is right
04:41:42 10 here. And if you count them up, there's 29 values.

04:41:45 11 The second subset is right here, and there's 32
04:41:49 12 values.

04:41:49 13 So in the actual products, there's more values in
04:41:52 14 the second subset than the first subset is the opposite of
04:41:55 15 what the patent is describing.

04:41:56 16 Now, what is the benefit of doing it the way the
04:41:59 17 chips do it? They always send a redundancy version. All
04:42:02 18 those 0s represent actual redundancy versions. And by
04:42:06 19 having redundancy, it helps ensure the messages get
04:42:10 20 through.

04:42:10 21 Remember the "hello" example? Hello, hello, in
04:42:13 22 case a lightning strike knocked out one of the hellos. By
04:42:19 23 always having a redundancy version, this table approach is
04:42:21 24 better than only sometimes having a redundancy version.

04:42:23 25 Now, what they have tried to do in this case, and

04:42:26 1 you saw it again just now, is to compare a table in the
04:42:29 2 patent, Table 3, to the standard, and say they're the same
04:42:32 3 thing.

04:42:32 4 Well, they're not. They're not. And no matter
04:42:35 5 how much they color-code these tables and try to modify
04:42:38 6 them to make them look similar, they're not the same.
04:42:42 7 They're not the same table. And if you look at them,
04:42:45 8 you'll see that immediately.

04:42:45 9 The second thing is this: We are bound by the
04:42:48 10 claims. The claim language governs whether there's
04:42:51 11 infringement or not. And the claim language does not
04:42:53 12 include -- the claim language does not include their
04:42:55 13 description of the table.

04:42:56 14 Mr. Sheasby just now said the reason why that
04:42:59 15 Table 3 is significant in the patent is that the values
04:43:03 16 change at some point down towards the bottom, and that,
04:43:07 17 therefore, we should focus drawing the boxes around the
04:43:10 18 changed sections.

04:43:11 19 Well, if you look at the claim language, you will
04:43:13 20 not see any reference to changed values. You just won't
04:43:17 21 see it. What you will see is a reference to one set of
04:43:20 22 values for indicating transport format, one set of values
04:43:24 23 for indicating redundancy.

04:43:26 24 And if you take the claim language, the claim
04:43:29 25 language, not their modified tables, take the claim

04:43:32 1 language and apply to the LTE standard, it doesn't fit.

04:43:36 2 The LTE standard does exactly the opposite.

04:43:39 3 Rather than having a first subset bigger than a second
04:43:43 4 subset, it has a second subset bigger than a first subset.
04:43:47 5 It's the opposite approach. There's no infringement.

04:43:51 6 And, again, remember His Honor instructed you the
04:43:54 7 claims, the claims, the claims are important, because it is
04:43:57 8 the words of the claims themselves that define what the
04:44:00 9 patent covers.

04:44:01 10 Now, Dr. Josiam, again, explained that 29 were
04:44:04 11 used for transport block size, 32 were used for redundancy.
04:44:08 12 So the person who actually wrote the code created the
04:44:11 13 chips, confirmed that we're drawing the boxes correctly.

04:44:17 14 And Dr. Mahon on Friday afternoon confirmed, as he
04:44:21 15 must, that the value 32 is bigger than the value of 29,
04:44:25 16 and, therefore, there's no infringement for this patent
04:44:26 17 either.

04:44:27 18 So when Mr. Blevins said our position is we
04:44:29 19 clearly do not infringe, he was right. If you take the
04:44:33 20 language of the claims and compare them to the chips, the
04:44:36 21 actual chips and how they work, as explained by folks who
04:44:41 22 helped create them, they don't fit. They just don't fit.
04:44:44 23 There's no infringement, and there never was.

04:44:46 24 Now, I want to say just a few words about
04:44:49 25 invalidity. And at the beginning of this case, Mr. Baxter

04:44:52 1 gave you an analogy to cutting down trees on someone else's
04:44:57 2 land. You now know that Apple has never done any such
04:45:01 3 thing.

04:45:02 4 What they did in this case is plant trees, create
04:45:06 5 their own products using chips from Intel and Qualcomm on
04:45:09 6 their own land. And what happened in this case is the
04:45:12 7 Plaintiffs are trying to move their fence line -- ignore
04:45:15 8 the claim language and move their fence line into Apple's
04:45:17 9 land to capture Apple's trees. And that's not right.

04:45:20 10 You've got to keep the fence line exactly where it
04:45:23 11 is. You can't change the claims and stretch them out to
04:45:27 12 try to capture someone else's property. It's just not
04:45:30 13 right.

04:45:30 14 But there's another problem. If you let them
04:45:33 15 stretch the claims out in the way that they're trying to
04:45:35 16 do, they cover old ideas, as well. All of that work that
04:45:39 17 was done in the field in the decades and decades before
04:45:42 18 these patents were filed -- and you see some of it here on
04:45:45 19 the screen -- that work could be covered, as well, if you
04:45:49 20 let them stretch out the claims.

04:45:50 21 So here is what we are asking you now. Hold them
04:45:53 22 faithful to the lines that are in those patents. And if
04:45:56 23 you do, there's no infringement. And if you find no
04:46:00 24 infringement, you will see in the verdict form your work is
04:46:04 25 done.

04:46:06 1 If you check "no" for no infringement, you don't
04:46:09 2 have to answer any other questions on the verdict form.
04:46:14 3 And if you hold them true to your -- to the positions in
04:46:16 4 the claims, that's the only right answer. There's no
04:46:18 5 infringement. Your work is done.

04:46:21 6 And to be very clear, in that circumstance, we
04:46:23 7 don't want you to reach invalidity, and you don't have to.
04:46:26 8 But if you let them stretch the claims out to cover Apple's
04:46:26 9 chips or Apple's products and the Intel/Qualcomm chips
04:46:32 10 within those products, then you do have to address
04:46:33 11 invalidity, because at that point, the claims would have
04:46:36 12 been stretched so far that they cover the old work of
04:46:38 13 others. And you're going to have to get into invalidity.

04:46:41 14 But if you hold them true to the proper boundaries
04:46:44 15 and find no infringement, your work is done.

04:46:47 16 Now, over the course of this case, you've heard a
04:46:50 17 number of distractions by the Plaintiffs. I'm going to go
04:46:53 18 through four.

04:46:54 19 First, essentiality. Now, they've mentioned a few
04:46:58 20 times the expert that we retained in this case,
04:47:00 21 Mr. Rodermund, and suggested that he was somehow saying we
04:47:03 22 were using these patents. He said nothing of the sort.
04:47:07 23 You were never shown a word that suggests that.

04:47:09 24 But I want to show you some testimony that you
04:47:11 25 were shown. And here's what he said, quote, so a device --

04:47:16 1 certain devices definitely does not have to implement all
04:47:20 2 of the essential patents which are in the LTE standard.

04:47:23 3 Think about that. Mr. Rodermund, who they're
04:47:25 4 telling you to rely on, said: Certain devices definitely
04:47:25 5 does not have to implement all essential patents which are
04:47:25 6 in the LTE standard.

04:47:32 7 Ms. Dwyer's opinion on whether these patents are
04:47:35 8 essential is candidly beside the point. She didn't look at
04:47:38 9 the chips. The only way to see if the patents are actually
04:47:41 10 being used in the chips is to look at the chips.

04:47:44 11 Dr. Josiam explained to you why being essential is
04:47:46 12 not enough to prove infringement. The standard tells you
04:47:50 13 what the chip needs to do. But the engineers -- folks like
04:47:54 14 Dr. Josiam and Mr. Ramaprasad -- figure out how to do it.
04:47:57 15 They -- they design the circuits that actually accomplish
04:48:01 16 what the standard is trying to achieve. And there's a
04:48:05 17 whole bunch of different ways to do it.

04:48:07 18 If the standard says get to Houston, you figure
04:48:10 19 out, do you walk, take a bike, drive? There's a whole
04:48:14 20 bunch of ways to travel. The same thing here. The
04:48:16 21 standard sets up the objective. The chip engineers figure
04:48:20 22 out actually how to do it. And the way they do it is
04:48:23 23 reflected in the chip. So to figure out if the chip
04:48:25 24 infringes, you have to look at the chip.

04:48:27 25 Dr. Mahon, I asked him: We need to understand how

04:48:32 1 the Qualcomm and Intel chips work -- for his infringement
04:48:36 2 theory. And he acknowledged: To have insight into my
04:48:39 3 infringement theory, yes. He was right. You have to look
04:48:41 4 at the chips to figure out if there's actual use of the
04:48:43 5 patents. You can't just call them essential and leave it
04:48:45 6 at that. You have to actually focus on the chips.

04:48:49 7 When we talked about under the hood, that was a
04:48:51 8 phrase that Ms. Smith used at the beginning of the trial,
04:48:51 9 this is what we meant. Look at the chips.

04:48:53 10 Ms. Dwyer: You never checked the Qualcomm or the
04:48:57 11 Intel chips to see if they actually use the five patents in
04:49:00 12 this case, did you?

04:49:01 13 Answer: No, I didn't.

04:49:03 14 No. 2, Innography, this database. Now, they've
04:49:07 15 shown you a few times this testimony from Ms. Mewes, the
04:49:10 16 Apple licensing attorney. But I want to focus you on what
04:49:14 17 she actually said. She actually said that she accessed
04:49:16 18 this database in 2018 to identify what portion -- what
04:49:21 19 number of declared patents are owned by PanOptis and its
04:49:26 20 affiliates. She never said, I looked at the '774 patent or
04:49:30 21 the '284 patent or any one of these patents. And she
04:49:34 22 certainly never said she looked at these strength ratings.

04:49:37 23 And it would be crazy if she did. You know how
04:49:37 24 those strength ratings work. Ms. Dwyer explained it to
04:49:40 25 you. The strength rating will rise simply because a patent

04:49:43 1 has been asserted in litigation. And it doesn't even
04:49:46 2 matter if the person who it's being asserted against
04:49:51 3 doesn't use it.

04:49:51 4 You can sue someone for not using a patent -- not
04:49:55 5 using a patent, and your strength rating is going to go up.
04:49:58 6 It's the craziest thing. It's an incentive for bad
04:50:02 7 behavior where you sue someone who is not infringing, your
04:50:03 8 strength rating goes up, and then you point to the strength
04:50:05 9 rating as evidence of it being a good patent. It has
04:50:08 10 nothing to do with it being a good patent.

04:50:11 11 There's not a shred of evidence that Ms. Mewes or
04:50:14 12 anyone else ever looked at those strength ratings. It's
04:50:18 13 total red herring.

04:50:19 14 No. 3, paid experts. We've heard references to
04:50:21 15 paid expert. And there's an old expression which we've all
04:50:25 16 heard, people in glass houses shouldn't throw rocks. We've
04:50:25 17 got right here a whole row of paid experts.

04:50:30 18 Dr. Mahon is a paid expert. And there's nothing
04:50:32 19 wrong with that. In litigation, folks who get retained as
04:50:37 20 experts, quite naturally, expect to be paid for the work
04:50:40 21 that they do. That's what they are. They're paid experts.

04:50:41 22 The only person they called as a witness to the
04:50:43 23 stand who wasn't a paid expert was Mr. Blasius right here.
04:50:47 24 And not just that. I don't know if they thought we'd
04:50:52 25 forget, but Dr. Madisetti, out of all the technical

04:50:55 1 experts, has been paid the most for Apple cases. He's been
04:50:55 2 paid close to a million dollars in cases testifying opposed
04:50:59 3 to Apple over a decade period.

04:51:00 4 Mr. Kennedy and Dr. Reed-Arthurs work at a place
04:51:04 5 called Berkeley Research Group. That's billed over
04:51:10 6 \$4 million for work against Apple.

04:51:12 7 So, again, we didn't come here to sling mud or
04:51:12 8 throw rocks, but if you're going to criticize Dr. Buehrer,
04:51:17 9 Dr. Wells, and Mr. Lanning for being paid experts, you
04:51:18 10 really got to look in the mirror and take a look at the
04:51:21 11 folks who testified as witnesses for them in this case.
04:51:24 12 They only called one fact witness.

04:51:26 13 In contrast, we put on the stand Mr. Blevins and
04:51:30 14 also the folks who created the chips. They're not paid
04:51:32 15 experts. They're folks who created the source code,
04:51:37 16 Dr. Josiam, Mr. Ramaprasad. They came and testified and
04:51:40 17 told you the truth about the facts that they knew.

04:51:42 18 And one last point about the experts, there's been
04:51:45 19 some talk about how our experts didn't contest these
04:51:49 20 testing numbers, the performance testing. There's nothing
04:51:51 21 to test. The products don't use the five patents.

04:51:54 22 The premise of the testing is that the chips in
04:51:57 23 the Apple products actually use these five patents. They
04:52:00 24 don't. They've never used them, so there's nothing to
04:52:04 25 test.

04:52:05 1 And that takes me to the last distraction, which
04:52:09 2 is the Qualcomm/Apple relationship. And you've been shown
04:52:12 3 some documents relating to that relationship, which is a
04:52:14 4 complicated relationship. Apple has received chips from
04:52:18 5 Qualcomm over the years, but Qualcomm has an unusual
04:52:20 6 business policy that require that you take a license to
04:52:23 7 their patent portfolio before they will sell you chips.

04:52:26 8 It's like if you went to an appliance store to buy
04:52:30 9 an oven, and they said, well, before we will even show you
04:52:33 10 the oven, you have to take a license to pay us a royalty
04:52:37 11 every time you cook on it. Or if you went to buy a car and
04:52:39 12 the car salesman said, you're going to have to pay me a
04:52:43 13 royalty every time you drive it. Before I sell you the
04:52:47 14 car, you're going to have to sign a license.

04:52:50 15 It's a very unusual policy. As Mr. Blevins said,
04:52:51 16 he didn't even know what they were talking about the first
04:52:51 17 time he heard about this. It was totally foreign to him.
04:52:55 18 And it's led to some disputes between the companies.

04:52:57 19 Here's the thing, it has nothing to do with this
04:52:59 20 case, absolutely nothing to do with this case. It's a
04:53:02 21 distraction and a sideshow meant to get you to take your
04:53:08 22 eye off the ball.

04:53:09 23 Don't take your eye off the ball. What matters in
04:53:09 24 this case are the claims in the five patents and whether or
04:53:12 25 not they apply to the chips at issue. That's it. The rest

04:53:15 1 of this stuff is distractions and red herrings.

04:53:18 2 And it's in the service of a damages request for
04:53:22 3 half a billion dollars for one year.

04:53:25 4 Now, you saw how absurd that is when you look at
04:53:30 5 real-world data, and it's absurd for a couple reasons.

04:53:34 6 One, remember when Ms. Smith drew the chart with
04:53:37 7 Mr. Perryman that compared the Qualcomm/Apple deal, the
04:53:37 8 Intel/Apple deal and what they were requesting, the
04:53:37 9 Plaintiffs in this case.

04:53:37 10 I can't go through all the numbers right now
04:53:44 11 because some of it is confidential, and we'd have to seal
04:53:46 12 the courtroom. But for Intel, for Intel, you know that
04:53:49 13 Apple got an entire business, and most importantly 2000
04:53:55 14 talented engineers like Dr. Josiam and Mr. Ramaprasad
04:54:00 15 joined the company, joined the company.

04:54:04 16 In addition, they got thousands and thousands of
04:54:05 17 patents, including cellular and LTE patents, all of that
04:54:08 18 for about double what the Plaintiffs are seeking in this
04:54:11 19 case for five patents for one year. Just think about that.
04:54:15 20 They're seeking for five patents for one year half as much
04:54:18 21 as Apple paid for an entire business with thousands of
04:54:22 22 engineers and thousands of patents. It makes no sense
04:54:24 23 whatsoever.

04:54:25 24 And you know that there's hundreds of thousands of
04:54:27 25 patents in this area of technology. So to establish that

04:54:30 1 these patents had that type of value, you would truly have
04:54:35 2 to consider them the golden eggs, the golden eggs as
04:54:39 3 compared to garden variety patents in this area.

04:54:42 4 Dr. Perryman said if that were true, there would
04:54:47 5 be some buzz about them. And, of course, that's got to be
04:54:50 6 right. If these were really worth the kind of money
04:54:50 7 Plaintiffs are seeking, folks in the industry would have
04:54:51 8 heard about these patents.

04:54:52 9 Mr. Blasius, LG did not give them any special
04:54:55 10 significance in the agreement with Plaintiffs, the '833 and
04:54:58 11 the '332. Panasonic, same thing, no special significance
04:55:03 12 to the two Panasonic patents in this case. Samsung, '774,
04:55:07 13 no special significance to that patent, no buzz, even with
04:55:12 14 respect to the original owners.

04:55:14 15 Well, what about the former head of licensing of
04:55:17 16 the Plaintiffs? If anyone would know, if anyone would know
04:55:20 17 that these are valuable patents, that these are the golden
04:55:23 18 eggs, these have buzz about them, it'd be the head of
04:55:27 19 licensing for the company. He hadn't even heard of them.
04:55:30 20 He said, I just don't recollect any knowledge across the
04:55:34 21 boards on these specific patents.

04:55:36 22 THE COURT: Six minutes remaining.

04:55:39 23 MR. MUELLER: Thank you, Your Honor.

04:55:39 24 I'm not familiar with the patents, nor do I
04:55:42 25 recollect any specific information with respect to the

04:55:47 1 improvements on these patents.

04:55:49 2 So just think about that for a minute. We've got
04:55:53 3 Mr. Blasius who hasn't even read them, and then we've got
04:55:56 4 the former head of licensing for this company who hadn't
04:55:59 5 heard of them, couldn't identify any improvements for these
04:56:03 6 patents.

04:56:07 7 Now, if you truly own something that was worth
04:56:09 8 half a billion dollars for one-year's use, you could be
04:56:13 9 assured that the head of licensing would have heard about
04:56:16 10 it. You could be assured that Mr. Blasius would have read
04:56:20 11 them.

04:56:20 12 And the fact is, the original owners never said
04:56:23 13 one word about these patents being special. The head of
04:56:26 14 licensing never said one word about these being special.
04:56:30 15 And the CEO, by contract of these five companies, hadn't
04:56:34 16 even read them, hadn't even read them. There is no
04:56:38 17 indication that these patents are worth anything to
04:56:41 18 anybody.

04:56:42 19 And you can see it in what happened with their
04:56:44 20 licensing efforts. The Plaintiffs have reached out to
04:56:47 21 company after company after company that makes various
04:56:50 22 types of cellular products, sometimes it's phones,
04:56:53 23 sometimes it's other things. Walmart, for example,
04:56:55 24 remember, I showed you that Walmart phone, and on and on
04:56:58 25 and on. This is from the cross-examination that I did of

04:57:02 1 Mr. Blasius.

04:57:03 2 He acknowledged it's a long list, a large list of
04:57:07 3 companies that they've approached.

04:57:08 4 And the vast majority of the companies that you've
04:57:11 5 approached have not taken a license, correct?

04:57:14 6 He acknowledged the answer was: Yes.

04:57:17 7 Now, in the opening statement, the representation
04:57:22 8 was made that they're licensed by essentially every other
04:57:25 9 major LTE phone manufacturer in the United States. Now,
04:57:28 10 you've seen that, that's referring in part to the original
04:57:31 11 owners like Samsung and LG.

04:57:32 12 So those are a bit of a different category. They
04:57:35 13 were the original owners of the patents. But in terms of
04:57:37 14 other companies that have been approached, you know who
04:57:40 15 signed up as licenses, they were companies that barely sell
04:57:44 16 phones in the U.S.

04:57:45 17 And when I asked Mr. Blasius the following: Sir,
04:57:49 18 fair to say a very significant number of major phone
04:57:51 19 manufacturers do not -- have not taken a license to these
04:57:55 20 patents, correct?

04:57:56 21 His answer was: That is correct.

04:57:59 22 And they were right not to take a license to these
04:58:03 23 five patents. They're not useful for modern phones like
04:58:06 24 the Apple products and the Intel chips and the Qualcomm
04:58:10 25 chips within those products. They just don't use these

04:58:12 1 types of patents. They're outdated technologies. These
04:58:15 2 are the most furthestest thing possible from the golden
04:58:18 3 eggs.

04:58:18 4 Now, Mr. Perryman described how if someone
04:58:23 5 somewhere wanted to take a license to these patents what
04:58:25 6 they would consider. And as he put it, you'd have to
04:58:28 7 consider the fact that there's hundreds of thousands of
04:58:30 8 patents in this area, and if you pay one person an
04:58:34 9 outlandish royalty, you're going to have folks knocking on
04:58:37 10 your door every day.

04:58:38 11 THE COURT: Three minutes remaining.

04:58:39 12 MR. MUELLER: Thank you, Your Honor.

04:58:40 13 So as, he explained to you, a fair lump-sum
04:58:43 14 royalty for these six would be in the neighborhood of
04:58:48 15 \$6 million if you were using them, but Apple is not.
04:58:50 16 They're not using these patents, and they never have. So
04:58:53 17 the right damages number for Apple is zero.

04:58:55 18 Now, this is the end of my time with you, it's the
04:58:58 19 last few things I get a chance to say. You're going to
04:59:00 20 hear more for the Plaintiffs just now, and I won't have a
04:59:03 21 chance to respond. So I'm going to ask you to do a couple
04:59:06 22 things for me as you listen to these arguments.

04:59:09 23 First, if you hear a brand new point or brand new
04:59:12 24 argument that I don't have a chance to respond to, ask
04:59:15 25 yourself why are you hearing this now at the end of the

04:59:20 1 trial when Apple doesn't have a chance to respond?

04:59:22 2 Second, for any argument that's made, I'd like you
04:59:26 3 to ask, what would Ms. Smith point me to in terms of
04:59:31 4 evidence or what would Mr. Summersgill point me to or what
04:59:33 5 would I point you to? What evidence would we show you to
04:59:34 6 demonstrate the argument is wrong? You know the evidence
04:59:36 7 now and have in mind what it actually shows.

04:59:38 8 And the third and most important thing is, I'd
04:59:42 9 like you to think about whether these arguments help you
04:59:45 10 answer the critical questions before you. Do the claims
04:59:48 11 cover these chips? How can it be that 32 is greater than
04:59:51 12 29? How can it be that a row-by-row mapping patent covers
04:59:55 13 column-by-column? How can it be that a shift operation
04:59:59 14 would satisfy a requirement for an old, outdated equation?
05:00:02 15 How can it be that one sequence is the same as a plurality
05:00:08 16 of sequences. And how can be it that constructing a
05:00:12 17 parameter is different -- the same as receiving? There's
05:00:14 18 no good answers to those questions because the facts don't
05:00:18 19 support them.

05:00:18 20 At the end of this case Mr. Blasius is asking you
05:00:20 21 to cut him a check for a half billion dollars for him and
05:00:24 22 his five companies based on five patents that he never read
05:00:27 23 and Apple never used. It's just not right. The right
05:00:31 24 answer, the right result, the true result, the just result
05:00:36 25 in this case is no infringement.

05:00:39 1 I respectfully request that you return a verdict
05:00:45 2 in favor of Apple. And I thank you for your time.

05:00:48 3 THE COURT: All right. Let's take the
05:00:49 4 demonstrative down, and then we'll proceed with Plaintiffs'
05:00:53 5 final closing argument.

05:01:13 6 Mr. Sheasby, you have 21 minutes and 25 seconds
05:01:16 7 remaining. Would you like some warning on your time?

05:01:19 8 MR. SHEASBY: Yes, Your Honor. If I could have
05:01:20 9 warnings at 10 minutes and 4 minutes, I would be grateful.

05:01:24 10 THE COURT: You may proceed, counsel.

05:01:25 11 MR. SHEASBY: Legos, school buses, cup holders,
05:01:44 12 basketballs, ways of getting to Marshall. Counsel for
05:01:51 13 Apple just spoke for 45 minutes. He did not show you one
05:01:56 14 line of source code. He did not show you one internal
05:01:59 15 Qualcomm or Intel or Apple document defending their
05:02:04 16 positions. It's an insult to us and this process.

05:02:07 17 We don't need to hear about Legos, we need to see
05:02:10 18 the evidence. The lines of source code that we presented
05:02:13 19 to you in our closing, the lines of source code and
05:02:17 20 technical evidence that Apple utterly ignored for the last
05:02:22 21 45 minutes.

05:02:23 22 Can I have Slide 30, Mr. Huynh?

05:02:28 23 Apple kept saying: We do it differently. We do
05:02:34 24 it differently. We do it differently. Well, you think if
05:02:38 25 they did something different than the standards, they would

05:02:41 1 have filed a patent on it because that's what companies do
05:02:45 2 when they seek important -- when they create important
05:02:47 3 things. They file patents.

05:02:49 4 Did Mr. -- Dr. Josiam and Mr. Ramaprasad say that
05:02:56 5 they filed one patent on their, quote, different way of
05:03:00 6 doing something? Of course, they didn't, because there is
05:03:04 7 no different way.

05:03:06 8 Did Dr. -- Dr. Josiam and Mr. Ramaprasad ever say
05:03:09 9 they didn't infringe? Of course, they didn't, because
05:03:13 10 there is nothing other than practicing the standards.

05:03:15 11 Let's have Slide 149.

05:03:20 12 Apple practices the LTE standard. Its experts,
05:03:29 13 who've testified 24 times on behalf of Apple, played word
05:03:32 14 games. Mr. Rodermund admitted it. That's why Ms. Dwyer's
05:03:36 15 testimony is so important. They practice the standard.

05:03:40 16 Ms. Dwyer has established that the patents are
05:03:41 17 essential to the standard. Mr. Blevins has admitted that
05:03:44 18 these specific elements that these patents cover are,
05:03:48 19 quote, necessary for communications. That's why
05:03:52 20 Ms. Dwyer's testimony is so important. It's why it's an
05:03:55 21 independent basis to find infringement.

05:03:57 22 Let's go to Slide 32, Mr. Huynh.

05:03:59 23 We're going to talk about the '774 just briefly.

05:04:07 24 Slide 36.

05:04:09 25 Jonathan Wells testified under oath, I'm not a

05:04:17 1 source code guy. Why would they present someone as an
05:04:20 2 expert witness to you who's, quote, not a source code guy?

05:04:24 3 The reason is because the source code shows
REDACTED BY ORDER OF THE COURT

05:04:29 4 [REDACTED]

05:04:33 5 [REDACTED]

05:04:40 6 [REDACTED]

05:04:42 7 [REDACTED]

05:04:44 8 Why aren't they showing you the source code? Why
05:04:47 9 aren't they showing you the actual technical documents?

05:04:51 10 It's because there is no meaningful defense to
05:04:54 11 infringement.

05:04:55 12 Let's go to the '833 patent -- '332 patent. Can
05:05:02 13 we have Slide 41, Mr. Huynh.

05:05:05 14 A shift is different from a divide. A shift is
05:05:08 15 different from a divide. That is only true in one universe
05:05:12 16 of Apple's lawyers. Even their own experts who testified
05:05:17 17 time and time and time for Apple could not defend what is
05:05:22 18 frankly an absurd position. A shift is a divide.

05:05:30 19 Apple didn't invent anything new. We know that.
05:05:33 20 There's no Apple patent on their new way of dividing. It
05:05:36 21 doesn't exist.

05:05:36 22 Let's go to Slide 46, Mr. Huynh.

05:05:42 23 The column-by-column analysis of the '883 [sic]
05:05:49 24 patent.

05:05:49 25 Let's go to Slide 53.

05:05:51 1 Mr. Wells took such extreme positions that he --
05:06:02 2 he claimed that Qualcomm's own processor doesn't work the
05:06:07 3 way their internal documents say.

05:06:11 4 One of the most powerful tools that you have
05:06:14 5 available to yourselves is common sense. It's actually in
05:06:18 6 the Judge's instructions to you, that you are empowered to
05:06:23 7 use common sense. Think about it.

05:06:25 8 They paid some guy to come here and tell you that
05:06:27 9 Qualcomm chips don't work the way Qualcomm's documents say
05:06:31 10 they work. Is there any common sense associated with that?

05:06:37 11 Why does he say it? Because he's not a source
05:06:43 12 code guy.

05:06:44 13 Let's go to Slide 86.

05:06:49 14 I'm particularly disturbed by this slide that was
05:06:52 15 shown to you in which Dr. Madisetti is distinguishing
05:06:55 16 between -- they claim Dr. Madisetti is distinguishing
05:06:58 17 between row-by-row and column-by-column mapping.

05:07:01 18 The reason why I'm disturbed by it is because they
05:07:06 19 cut off the first half of his testimony where he was
05:07:08 20 saying -- he was explaining what Dr. Wells's position was.

05:07:14 21 This type of gamesmanship, we don't know what you
05:07:17 22 mean by practice, cutting off experts' answers halfway
05:07:21 23 through their questioning. It's an insult. It's an insult
05:07:26 24 to Professor Madisetti, and it's an insult to this process.

05:07:30 25 Let's go to the '284 patent -- sorry, the '557

05:07:35 1 patent, Slide 70.

05:07:36 2 This idea that you can't create individual
05:07:47 3 sequences is nothing more than Apple trying to write
05:07:51 4 language into the claims. It has no connection to the
05:07:54 5 claim language, and it has no connection to the
05:07:56 6 specification. The specification expressly states --
05:08:03 7 expressly states that you can create sequences one at a
05:08:06 8 time.

05:08:06 9 In fact, the specification shows this process of
05:08:13 10 using codes to create sequences one at a time.

05:08:18 11 Let's go to Slide 73.

05:08:22 12 Why are we talking about this Innography database?
05:08:31 13 It's because it's Apple's. It's because they pay money to
05:08:35 14 use it. And now they're trying to throw shade at it. It's
05:08:42 15 their database. They accessed it in 2018. And it shows
05:08:48 16 millions and millions of these patents, how high the score
05:08:51 17 is. This isn't our database. It's not Ms. Dwyer's
05:08:54 18 database. It's their database.

05:08:56 19 Use your common sense. If this wasn't powerful
05:08:58 20 evidence, why would Apple -- a company like Apple use the
05:09:02 21 database?

05:09:03 22 They use the database because it's a good
05:09:07 23 database. And the database shows that these patents are
05:09:11 24 incredibly important. And for them to get up here and
05:09:15 25 throw shade at their own documents, their own internal

05:09:19 1 processors, is an insult to this process.

05:09:21 2 Let's go to Slide 76.

05:09:23 3 Apple has a plan. It's a plan they use with
05:09:33 4 companies that hold standard essential patents. Qualcomm
05:09:36 5 said: We have 20 patents, look at them, Apple. Apple
05:09:41 6 said: We don't infringe them. Apple turned to them, just
05:09:44 7 like Mr. Blevins turned to you, and say: We do not
05:09:48 8 infringe these patents, trust us.

05:09:50 9 During those years and years of disputes, Apple
05:09:53 10 could delay paying Qualcomm what is owed to it. And what
05:09:59 11 happened in the end? This slide shows what happened in the
05:10:02 12 end. Apple made a massive payment because when Apple says
05:10:06 13 they don't infringe, it's part of a plan. It's part of a
05:10:10 14 game to delay.

05:10:14 15 Dr. Kennedy -- Mr. -- Mr. Kennedy testified to it
05:10:19 16 expressly. Their plan is to delay payments. Their plan is
05:10:24 17 to delay as long as possible the consequences of their
05:10:26 18 actions.

05:10:29 19 Mr. Blasius testified that 60 percent -- over 60
05:10:35 20 percent of the worldwide market has licensed our patents.
05:10:42 21 Mr. Blasius, who is not an engineer but cared so deeply
05:10:44 22 about this case, that he sat and had Professors Mahon and
05:10:51 23 Professor Madisetti teach him the technology so that he can
05:10:54 24 understand it, and Apple is insulting him because he could
05:10:59 25 not read it himself, and he needed help.

05:11:00 1 He testified he spent 24 hours learning this
05:11:03 2 technology, and he explained to you what its purpose was,
05:11:07 3 because he cared so deeply.

05:11:10 4 Apple's claim that the industry is not licensed to
05:11:12 5 this technology, LG, Samsung, ZTE, HTC, Huawei, they're all
05:11:18 6 licensed. The one who is not licensed is Apple.

05:11:24 7 And the suggestion that there's no plan to destroy
05:11:28 8 our business, we asked Mr. Blevins a very simple question:
05:11:34 9 If you have a business and your customer takes your
05:11:38 10 products or takes your labor and then doesn't pay 50
05:11:41 11 percent of the time, what happens to your business? You go
05:11:45 12 bankrupt.

05:11:49 13 Apple's tactic of delay and fight and fight and
05:11:52 14 fight is designed to destroy our business because this is
05:11:56 15 what our business is, to protect the innovations of LG,
05:12:01 16 Samsung, and Panasonic.

05:12:02 17 Can I have Slide 70 -- can I have Slide 87?

05:12:16 18 Apple doesn't even have the courtesy or the
05:12:18 19 respect for this process to go through an
05:12:21 20 element-by-element analysis to present its invalidity
05:12:24 21 claims. Who does? The people who don't even have the
05:12:29 22 burden. Professor Madisetti and Professor Mahon spent time
05:12:33 23 pointing out to you each limitation that was not present in
05:12:38 24 the claims. They did it because they care, and they're
05:12:41 25 committed to this process.

05:12:43 1 Apple paid three experts to come, and they didn't
05:12:46 2 even have enough respect for the process of pointing out
05:12:49 3 where each limitation was.

05:12:51 4 Let's go to Slide 90, Mr. Huynh.

05:12:57 5 THE COURT: You have 10 minutes remaining.

05:13:01 6 MR. SHEASBY: There is only one expert in this
05:13:05 7 case who has any experience with licensing. That's
05:13:10 8 Mr. Kennedy. Why does that matter? It's because it's a
05:13:13 9 hypothetical negotiation. It's a license negotiation.

05:13:19 10 Dr. Kennedy [sic] is a fine economics professor,
05:13:22 11 but he is not a license negotiator. He is not a survey
05:13:26 12 expert. Apple failed him. Apple didn't give him any of
05:13:30 13 the tools that you need to conduct a license analysis.
05:13:36 14 They didn't give him any technical analysis. They didn't
05:13:39 15 give him any licensing expertise. They didn't give him any
05:13:43 16 survey expertise. They failed him. Why? Because of a
05:13:48 17 lack of respect for the process.

05:13:50 18 Let's go to Slide 92, Mr. Huynh.

05:14:01 19 You will see in Judge's instructions the express
05:14:07 20 reference to the Georgia-Pacific factors. These are the
05:14:10 21 factors to consider for damages. These are the factors
05:14:12 22 that Dr. Perryman utterly ignored. Let me give you an
05:14:19 23 example.

05:14:19 24 Factors 1 and 2, the rates paid by licensees for
05:14:24 25 the use of other patents. Mr. Kennedy, the only license

05:14:29 1 expert, pointed out that Apple had done a very comparable
REDACTED BY ORDER OF THE COURT

05:14:32 2 [REDACTED] [REDACTED] [REDACTED]

05:14:36 3 [REDACTED] [REDACTED]

05:14:43 4 [REDACTED]

05:14:48 5 [REDACTED]

05:14:52 6 [REDACTED]

05:14:54 7 [REDACTED] [REDACTED]

05:14:59 8 [REDACTED]

05:15:05 9 [REDACTED] [REDACTED]

05:15:06 10 [REDACTED] [REDACTED]

05:15:09 11 [REDACTED]

05:15:16 12 [REDACTED]

05:15:16 13 If you follow the Georgia-Pacific factors, if you
05:15:25 14 follow the instructions of His Honor, there is only one
05:15:32 15 conclusion on damages.

05:15:32 16 Can we have Slide --

05:15:34 17 Apple said -- they never told you who benefitted
05:15:37 18 from this case. But, of course, we did. Mr. Blasius said
05:15:41 19 expressly under oath that a substantial portion of the
05:15:44 20 revenues are returned to LG, Panasonic -- he said that
05:15:51 21 under oath and expressly.

05:15:54 22 And why are the revenues returned to them, because
05:15:56 23 in 2008, the year when Apple was still selling a 2G iPhone,
05:16:07 24 Samsung, Panasonic, and LG collectively invested
05:16:13 25 \$14 billion in R&D research that led to the LTE standard.

05:16:15 1 Now, the question you really should ask is, who
05:16:18 2 benefits if Apple gets away with this? That's what we've
05:16:22 3 never heard about.

05:16:23 4 Let's go to Slide 102, please.

05:16:30 5 Professors Madisetti and Mahon presented a
05:16:38 6 detailed technical analysis of the performance benefits of
05:16:41 7 these patents. It's the only technical analysis in the
05:16:46 8 record.

05:16:47 9 Apple's experts were utterly silent. And they
05:16:50 10 could have analyzed the benefits of the feature that is
05:16:54 11 accused of infringement over what came before. Even
05:16:58 12 without conceding whether it was infringing, they could
05:17:00 13 have done that analysis, and they didn't.

05:17:04 14 Why didn't they do it? Why didn't they respect
05:17:07 15 this process?

05:17:08 16 Can I have Slide 106, Mr. Huynh?

05:17:12 17 Apple sold over a hundred million devices solely
05:17:19 18 during this infringement period. That works out to a
05:17:24 19 damages number -- in fact, Apple benefitted \$8.00 per
05:17:30 20 iPhone under both of the methodologies presented by
05:17:33 21 Mr. Kennedy, solely from its infringement. That's what its
05:17:36 22 profits was, solely from -- from infringement.

05:17:40 23 Let's go to Slide 109.

05:17:41 24 We sat through a week of trial for Apple to try to
05:17:52 25 convince us that people don't care about the speed of their

05:17:55 1 service, that people don't care about the speed of their
05:17:55 2 phones.

05:17:56 3 If you walk into an Apple store, they charge you
05:18:00 4 130 bucks for cellular. And yet we had to sit through a
05:18:03 5 week of people trying to tell us that we don't care about
05:18:07 6 LTE; we don't care about speed. That has no connection to
05:18:07 7 reality.

05:18:12 8 And the reason why I can say "we" is because a
05:18:12 9 survey of 1400 people was done by Dr. Reed-Arthurs that
05:18:16 10 establishes that fact.

05:18:21 11 Where is the survey from Apple? Where is the
05:18:23 12 respect?

05:18:24 13 Let's go to Slide 111.

05:18:29 14 This is Mr. Perryman admitting that he did no
05:18:34 15 Georgia-Pacific analysis.

05:18:34 16 Let's go to Slide 114.

05:18:37 17 This is what the only evidence in the record
05:18:43 18 shows. Performance benefit of 24 percent. A profit per
05:18:51 19 iPhone that Apple makes of \$8.00. And overall,
05:18:56 20 \$868 million in profits from just over a year of
05:19:01 21 infringement.

05:19:01 22 THE COURT: Four minutes remaining.

05:19:03 23 MR. SHEASBY: Let's go to Slide 117 -- actually,
05:19:11 24 let's go to Slide 120.

05:19:13 25 This is what we respectfully request that the jury

05:19:15 1 returns. As to -- was there at least one claim of all
05:19:21 2 these patents that were infringed? We respectfully request
05:19:25 3 an answer of "yes."

05:19:27 4 Did Apple prove by clear and convincing evidence?
05:19:30 5 Now, this is the opposite question. For this, the answer
05:19:34 6 is "no," Apple did not meet its heavy burden of proof. It
05:19:39 7 didn't come close to meeting its heavy burden of proof.

05:19:42 8 Three, is there evidence of willfulness? We
05:19:44 9 respectfully submit that there is overwhelming evidence of
05:19:48 10 willfulness.

05:19:48 11 And, four, what's the amount of damages? The only
05:19:52 12 number that is in the record. The Judge's instructions are
05:19:57 13 clear. Mr. -- Dr. Perryman's analysis did not follow the
05:20:01 14 rules. This is the only number in the record.

05:20:05 15 And whether it was a lump sum or a royalty for
05:20:09 16 past sales, we request the exact same treatment that was
05:20:13 17 REDACTED BY ORDER OF THE COURT

05:20:13 17 [REDACTED]
05:20:21 18 Qualcomm received and a running royalty of \$7.50 in the
05:20:26 19 future. We request only a royalty for past sales so that
05:20:29 20 we can be treated exactly the same as Qualcomm only for
05:20:33 21 past damages.

05:20:34 22 So when I graduated from law school, the president
05:20:40 23 of the university gives a speech, and part of the speech is
05:20:46 24 given every year to every class. And it's be given -- it's
05:20:51 25 been given since 1938. And he says something to the effect

05:20:56 1 that rules are what makes us free, which was a funny thing
05:21:01 2 when I first heard it, that rules make us free. But they
05:21:04 3 do, right? Rules protect our property. Rules protect our
05:21:09 4 businesses. Rules protect our families.

05:21:10 5 Apple has made an art of not following the rules.
05:21:20 6 In 2008, when LG, Panasonic, and Samsung were investing
05:21:25 7 \$14 billion in building LTE and other technologies, Apple
05:21:30 8 was doing nothing. They just took LTE technology without
05:21:35 9 performing any investigation.

05:21:36 10 In 2017, Apple did nothing when it was approached
05:21:40 11 by PanOptis. It did no independent investigation.
05:21:46 12 Mr. Blevins testified that he'd only received the patents a
05:21:49 13 few weeks before his deposition. No survey evidence, not a
05:21:55 14 single line of source code or technical document shown to
05:21:59 15 you in closing. No Georgia-Pacific analysis. No analysis
05:22:05 16 performance.

05:22:08 17 What's the purpose of this? The purpose is to
05:22:12 18 delay payments for as long as possible.

05:22:13 19 The right to a trial by jury is not just
05:22:17 20 PanOptis's right. It's not Apple's right. It's your
05:22:20 21 right. When you were picked for this jury, you may have
05:22:24 22 said, why me? The answer is, because it's always been you.
05:22:28 23 That's what the founders wanted. It's you who make
05:22:31 24 important decisions. And for as long as this republic
05:22:35 25 exists, it will be you who makes these decisions.

05:22:39 1 Ladies and gentlemen of the jury, this case,
05:22:43 2 responsibility, is in your hands.

05:22:45 3 Thank you.

05:22:45 4 THE COURT: All right. Ladies and gentlemen, I'd
05:22:53 5 like to now give you a few final instructions before you
05:22:57 6 retire to the jury room and begin your deliberations.

05:23:01 7 You must perform your duty as jurors without bias
05:23:04 8 or prejudice as to any party. The law does not permit you
05:23:08 9 to be controlled by sympathy, prejudice, or public opinion.

05:23:13 10 All parties expect that you will carefully and
05:23:15 11 impartially consider all the evidence, follow the law as I
05:23:20 12 have given it to you, and reach a just verdict, regardless
05:23:24 13 of the consequences.

05:23:28 14 Answer each question in the verdict form from the
05:23:31 15 facts as you find them to be, following the instructions
05:23:35 16 that the Court has given you about the law. Again, do not
05:23:39 17 decide who you think should win the case and then answer
05:23:42 18 the questions accordingly.

05:23:45 19 I remind you, ladies and gentlemen, your answers
05:23:48 20 and your verdict in this case must be unanimous.

05:23:52 21 You should consider and decide this case as a
05:23:56 22 dispute between persons of equal standing in the community,
05:24:00 23 of equal worth, and holding the same or similar stations in
05:24:06 24 life. This is true in patent cases between corporations,
05:24:12 25 partnerships, other business entities and individuals.

05:24:16 1 A patent owner is entitled to protect his rights
05:24:19 2 under the laws of the United States, and that includes
05:24:20 3 bringing a lawsuit in a United States District Court for
05:24:23 4 money damages based on allegations of infringement.

05:24:26 5 The law recognizes no distinction among types of
05:24:32 6 parties. All corporations, partnerships, other
05:24:38 7 organizations, and individuals stand equal before the law,
05:24:39 8 regardless of their size, regardless of who owns them, and
05:24:44 9 are to be treated by you as members of this jury equally.

05:24:48 10 Throughout this trial, I've given you instructions
05:24:52 11 many, many times about not discussing anything about this
05:24:54 12 case among yourselves. When you retire to the jury room in
05:24:57 13 a few minutes, that is going to change.

05:25:00 14 At that point, not only is it proper for you to
05:25:04 15 discuss this case among yourselves, it becomes your duty to
05:25:08 16 discuss this case among yourselves in an effort to reach
05:25:15 17 unanimous decisions to the questions in the verdict form.

05:25:19 18 As I've told you, when you retire to the jury
05:25:22 19 room, you're each going to have your own printed copy of
05:25:25 20 these jury instructions that I've given you.

05:25:29 21 If during your deliberations, you desire to review
05:25:32 22 any of the exhibits, not the demonstratives, but the
05:25:35 23 exhibits which the Court has admitted into evidence, then
05:25:38 24 you should advise me by a written note delivered to the
05:25:42 25 Court Security Officer, who will bring it to me. And in

05:25:44 1 that event, I will send that exhibit or those exhibits to
05:25:47 2 you.

05:25:48 3 Once you retire, you should select your
05:25:52 4 foreperson, and then conduct your deliberations.

05:25:55 5 If you recess during your deliberations, follow
05:25:58 6 all the instructions the Court has given you about your
05:26:01 7 conduct during the course of the trial.

05:26:06 8 I realize that you will be retiring to deliberate
05:26:08 9 after 5:00 p.m. on this evening. Whether you wish to stay
05:26:13 10 and work later tonight is up to you. Whether you wish to
05:26:17 11 start over in the morning with a fresh start about 8:30 is
05:26:21 12 up to you. I expect that Ms. Clendening will check with
05:26:24 13 you shortly after you retire and see what your wishes are.

05:26:28 14 After you have reached a unanimous verdict, your
05:26:34 15 foreperson is to fill out the answers to those questions in
05:26:38 16 the verdict form reflecting your unanimous answers.

05:26:42 17 You are not to reveal your answers until such time
05:26:45 18 as you're discharged unless otherwise directed by me, and
05:26:52 19 you're never to disclose to anyone, not even to me, your
05:26:56 20 numerical division on any question.

05:26:58 21 Any notes that you've taken over the course of the
05:27:00 22 trial are aids to your memory only. If your memory should
05:27:04 23 differ from your notes, then rely on your memory and not
05:27:08 24 your notes. The notes are not evidence, ladies and
05:27:11 25 gentlemen, and a juror who has not taken notes should rely

05:27:14 1 on his or her -- his or her own independent recollection
05:27:18 2 and not be unduly influenced by the notes of other jurors.
05:27:22 3 Notes are not entitled to any greater weight than the
05:27:25 4 recollection or impression of each juror about the
05:27:28 5 testimony.

05:27:29 6 If you want to communicate with me at any time
05:27:33 7 during your deliberations, you should give a written
05:27:36 8 message or question to the Court Security Officer, written
05:27:41 9 and signed by your foreperson.

05:27:44 10 The Court Security Officer will then bring it to
05:27:46 11 me. And I will respond to you as promptly as possible,
05:27:50 12 although, I will tell you, it almost always takes me some
05:27:53 13 time to respond.

05:27:55 14 And I will respond to you either in writing or by
05:27:58 15 having you brought back into the courtroom where I can
05:28:01 16 address you orally. I will always first disclose to the
05:28:05 17 attorneys in the case your question and my intended
05:28:09 18 response before I answer any question you might send me.

05:28:12 19 After you've reached a verdict and I have
05:28:16 20 discharged you from your duty as jurors in this case, I
05:28:20 21 want you to understand you are not obligated to talk with
05:28:24 22 anyone about your service in the case, but by the same
05:28:29 23 token, once I have discharged you, then you are free, if
05:28:33 24 you choose to, to discuss your service in this case with
05:28:36 25 anyone that you might like to. That choice at that time,

05:28:39 1 ladies and gentlemen, will be yours and yours alone.

05:28:41 2 I'm now going to hand eight printed copies of
05:28:45 3 these final jury instructions and one clean copy of the
05:28:48 4 verdict form to the Court Security Officer to deliver to
05:28:51 5 you in the jury room.

05:28:53 6 Ladies and gentlemen of the jury, you may now
05:29:01 7 retire to the jury room to deliberate. We await your
05:29:04 8 verdict.

05:29:05 9 COURT SECURITY OFFICER: All rise.

05:29:07 10 (Jury out.)

05:29:31 11 THE COURT: Please be seated.

05:29:32 12 Counsel, I do not intend at 5:30 p.m. to start the
05:29:41 13 bench trial this evening. I plan to start tomorrow morning
05:29:44 14 at 8:30 sharp. You've been allotted three hours to each --
05:29:50 15 for each side to put on your evidence for the bench trial.

05:29:53 16 If you wish to reserve any portion of that for a
05:29:57 17 closing argument to me, you need to let me know first thing
05:30:01 18 in the morning.

05:30:02 19 I suspect that Ms. -- I suspect that
05:30:06 20 Ms. Clendening will check with the jury shortly and ask
05:30:10 21 whether they want her to order dinner for them and whether
05:30:14 22 they intend to stay and deliberate tonight or whether
05:30:17 23 they're going to opt to come back and start in the morning.

05:30:21 24 You're welcomed to stay and wait until we have
05:30:23 25 some idea whether the jury is going to continue to

05:30:27 1 deliberate or recess for the evening. Whether they recess
05:30:31 2 for the evening or not, it's clear that the deliberations
05:30:33 3 are going to continue into tomorrow.

05:30:35 4 While the jury is deliberating and while we're not
05:30:38 5 in the bench trial, you're free to wait here in the
05:30:42 6 courtroom.

05:30:43 7 You're also free to wait in your respective
05:30:46 8 locations outside of the courthouse, but if you choose not
05:30:49 9 to be here in the courtroom where I can find you in the
05:30:52 10 event there is a note or a question from the jury, then you
05:30:56 11 should make sure my law clerks have a working cell phone
05:31:01 12 number for each trial team where you can be reached and you
05:31:04 13 can quickly return to the courtroom if I need you.

05:31:07 14 Are there any questions from either Plaintiff or
05:31:10 15 Defendant at this juncture?

05:31:11 16 MR. SHEASBY: Nothing for Plaintiffs, Your Honor.

05:31:12 17 THE COURT: Anything from Defendant?

05:31:13 18 MR. MUELLER: No, Your Honor.

05:31:15 19 THE COURT: All right. Awaiting either a note or
05:31:17 20 a verdict from the jury and anticipating a start of the
05:31:21 21 bench trial tomorrow morning, we stand in recess.

05:31:24 22 COURT SECURITY OFFICER: All rise.

05:31:28 23 MR. SHEASBY: Thank you, Your Honor.

05:31:29 24 (Recess.)

CERTIFICATION

I HEREBY CERTIFY that the foregoing is a true and correct transcript from the stenographic notes of the proceedings in the above-entitled matter to the best of my ability.

/S/ Shelly Holmes
SHELLY HOLMES, CSR, TCRR
OFFICIAL REPORTER
State of Texas No.: 7804
Expiration Date: 12/31/20

8/10/2020
Date